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The Nation's Business

Beauharnois Reorganization Now Is Inevitable

Other Situations Also Call for Investigation

More Misleading G. T. R. Propaganda

Public Opinion and Beauharnois

IN THE confusion of allegations and revelations concerning the Beauharnois Power enterprise the essential fact is that the public has been amazed and shocked by what it has learned. But it has likewise been somewhat bewildered by the easy juggling with figures and in its bewilderment is not attempting to make a nice division between the revelations of what is thoroughly honest and legitimate and what is definitely scandalous.

On most of the matters that have come before the committee, business men will be inclined to reserve judgment until the whole story has been told, and, as there is every possibility that politics may influence the committee's report or reports, will form their own conclusions from what they will have learned. Some of the evidence has not made very pleasant reading in this time of general stress and unemployment, in this time of general testing and review of the whole basis of modern business. But one may hold a critical opinion of the actions of certain individuals without embracing in that adverse judgment all who have contributed to bringing this mighty undertaking into being. One may frankly differ with some methods that have been pursued without condemning absolutely the whole project. Bringing a balanced public judgment to bear upon an affair of this type is most difficult when the public's feelings have been outraged by much that is unsavory.

* * *

FROM the public standpoint certain facts stand out in the evidence adduced to date:

* * *

ONE: The Beauharnois group have laid their plans for a much larger enterprise than could be justified by any rights already confirmed to them by Ottawa. They have gambled on getting a much larger flow of the river than they now enjoy. Their objective is the whole river and a 2,000,000 h.p. development. What they have invested on the strength of this hope is pretty much their own affair and that of investors in the enterprise. In this phase of the matter, the significant thing is the Dominion government cannot at the moment do much to approve concessions granted by the Quebec government without demanding the safeguards that will ensure the people that public assets are protected. This was largely an engineering matter until the present investigation created a situation that makes it a matter also of practical politics. Now a complete reorganization of the company and possibly a change of control must precede action by Ottawa.

* * *

TWO: Men occupying prominent positions in the state have made large profits out of their investment in the original Beauharnois syndicate. To the man in public life there are many occasions when his conscience must be his guide. The dividing line between what is wrong and what is right is not clearly fixed. Because he is in public life, a man should not be debarred from hazarding his personal profits on the ordinary long-shot gambles of business. It is quite another matter when he uses his confidential position or political influence to turn a gamble into a practical certainty. In the case of individuals who have been mentioned at Ottawa the extent of the influence used cannot be determined by the evidence as yet submitted. But public opinion is apt to be more definite in its judgment than the committee can be. When the enquiry is closed and the story has been told, the public is almost certain to feel that a number of retirements from public life are decidedly called for. And if the public comes to this firm conclusion it cannot well be refused its satisfaction.

* * *

THREE: Enormous sums have been paid into party campaign funds by those who were seeking governmental approval of their development plans. There is nothing new in this practice. The body politic is the sum total of the people and enterprises of the country. Every individual and every business is constantly influenced by the action the government takes. Governments are the product of elections and elections as well as inter-election party discipline cost money. The money is contributed by individuals and by business enterprises. Every man who pays his annual membership dues in the local party organization in the hope that his party will acquire or retain power and thus pass the laws, impose the taxes and grant the favors that are in accord with his views is doing in a small way exactly what Beauharnois did in a big way. Again we find no dividing line sharply drawn between right and wrong. But the contributions revealed in the present case have been unconscionably large. They also were too definitely linked with specific requests under consideration and likely to be under consid-

(Continued on page 2, col. 2)

Gear Mail Order To Modern Tempo Is Simpson Plan

Over Million New Style Catalogues Now in Mails

MONTHS ARE SAVED

Between Purchase of Goods and Sale to Consumer, Long Lapse is Now Avoided

To more than 1,100,000 homes in Canada there are now being distributed the first of the new bimonthly catalogues of Robert Simpson Company. The new catalogues, part of a vast scheme to take the delay out of the mail order business and bring its tempo up to modern habits, have been printed by Photo Engravers and Electrotypers Limited, in a new plant that contains what is declared to be the largest rotogravure unit on the continent, as well as new type five-color presses. The building is owned by Simpson's; the equipment by Photo Engravers.

Work was started on the building that houses the printing plant, last November. Eight months later, new machinery installed in the plant was producing 90,000 copies a day of the August-September edition of the catalogue.

Exit Fat Catalogue

Simpson's will no longer use the thick, encyclopaedic merchandise catalogue that the company has mailed twice a year since its mail order business developed to large proportions. Rather it will mail a catalogue of selected seasonable merchandise, a catalogue made up much in the size and shape of a general magazine. Later, magazine features will be incorporated in the volume, but the edition now going out is entirely merchandise except for one introductory page.

Under the title of Simpson's "Canada Wide" the first edition of the catalogue is being mailed this week.

By arrangement with the post office, copies will be mailed addressed to "The Householder" to ensure complete coverage of every farm and village home in Canada without duplication. A mailing list in some of the larger centres will be used in addition.

Brings Further Changes

Important changes in mail order practice of the company will follow from this speeding up of the company's advertising contact with its customers. Buying will be practically continuous instead of twice-a-year. From two to four months will be cut off the time that elapses between the purchase of the goods by Simpson's and the ultimate sale to the consumer—two months that mean a lot in these days of swift-pace fashion changes and rapidly declining prices. The company's line of merchandise will be greatly simplified; no attempt will be made to catalogue everything that the rural or village home could want. Simplification of the line of merchandise and continuous buying will enable the company's retail stores and the mail order department to buy in unison and to benefit from joining of their purchasing power. The same goods will be bought for the country trade that the company buys for its big city trade. Mrs. Abner Smith, in rural Saskatchewan, will be offered the same winter coat that is offered to Miss Queenie Loftus, the stenographer, in Toronto or Montreal, and at the same time.

Burton Outlines Plan

The Financial Post has already printed the broad outline of the new Simpson mail order plan. This week, on the occasion of the first mailing of the new catalogue, C. L. Burton, president of Simpson's Limited, and the Robert Simpson Co., its operating subsidiary, outlined to The Financial Post the history of the new development and the company's viewpoint of its significance. Here, Mr. Burton's outline may be summarized. What follows is the outline of the plan approximately as given by the recognized merchandising authority who heads the Simpson's chain of retail stores and mail order houses.

(Continued on pagt 3, col. 5)

More Sales Needed to Hold Volume

To enjoy a dollar turnover justly slightly below that of a year ago, the Robert Simpton Company is handling many more transactions in its retail stores in Toronto and Montreal. In the Toronto store, in the past five months the number of sales has been 1,250,000 greater than in the same period of 1930 and yet the dollar volume has been slightly down. The lower dollar volume is due chiefly to the decline in prices, while the lower unit of sale is due not only to this but to the reduced purchasing power of the people.

Taking the company's business as a whole dollar volume is said to be about approximately one per cent below last year's. Profits have declined slightly due to the higher expense of handling the larger number of transactions.

MAPLE LEAF FISCAL YEAR IS FAVORABLE

Liquid Position Said to Have Been Greatly Improved

Maple Leaf Milling Co. will show a considerably improved position at the close of its fiscal year, July 31, The Financial Post learns.

No earnings as compared with the favorable half-yearly statement issued in March can be obtained, but financial and liquid position as compared with the half-yearly statement will be greatly improved, it is understood.

A year ago it will be remembered the company showed an operating loss of $3,031,000 for the 16-month period before providing for depreciation, bond interest, special reserves and so forth. This operating loss included, however, "loss occasioned by unauthorized speculation," and as it is impossible to separate the speculative figures from those of operations, no comparison between this and last year's earnings is possible.

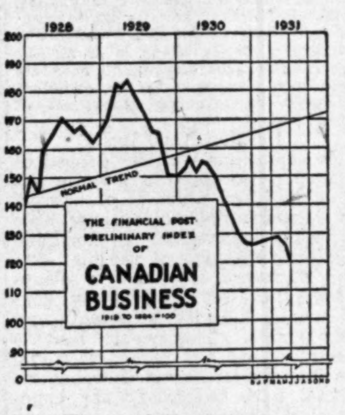
For the six months ending January 31, the company showed a net profit of nearly $250,000 after meeting all charges, but since the first half of a milling company year is usually the best it would not be surprising if the complete report failed to sustain this gain.

Assets Should Exceed Liabilities

Improvement in working capital position may be interpreted as meaning that the company will show an excess of current assets over liabilities for the first time since March, 1929. At that time current assets were in the ratio

(Continued on page 2, col. 5)

Business at New Low



The Financial Post preliminary index of physical volume of business in Canada, declined five per cent in June to a new low in the present depression. (For details see page 7).

Muirhead's Operations Reported as Satisfying

Current operations of Muirhead's Cafeterias Ltd., are on a satisfactory basis, and results obtained in the first four months of the company's fiscal year which commenced March 1, show a favorable comparison with the same period last year, according to information given to The Financial Post.

Although no figures are available, operating costs are said to have been steadily reduced, which should materially benefit the company's future earnings.

For the fiscal year ended Feb. 28, 1931, the company showed earnings, after deducting the amount required to be set aside for redemption of preference stock, of 12 cents per share on 78,710 no par value common stock outstanding. This compares with 13 cents per common share in the previous year, before setting aside the necessary amount for preferred stock redemption. A dividend of 10 cents per share was paid on the common stock on March 1, this year.

The company originally commenced business in 1902 with one restaurant with accommodation for 25 people, and now operates three modern restaurants, all on the self-serve system, with a total combined seating capacity of about 700 people. A fourth unit was closed early in 1930.

The present company was incorporated in 1926, when $350,000 7½ per cent preference stock, $10 par, carrying one-tenth share of common stock as a bonus with each preference share, was offered. The senior issue was convertible at varying rates up until March, 1929, 29,911 preference shares being exchanged for 39,990 common shares under the conversion plan. In June, 1928, a further 10,715 common shares were offered to shareholders in the form of rights, at $7 per share, on the basis of one new share for each seven shares of either class held.

WATERLOO CO. 1930 REPORT DUE SHORTLY

Will Show Loss in Operations During Twelve Months

PROFIT THIS YEAR

Improvement Based Largely on Extensive Programme of Economy in Operations

Annual report of Waterloo Manufacturing Company for the year to Oct. 31, 1930, has not yet appeared. The 1929 annual report did not appear until Oct. 21, 1930.

The Financial Post understands that the delay in publication of the 1930 operating figures is due to two chief causes. In the first place, the company has had to carry on correspondence with the H. V. McKay Company, of Australia, to make necessary adjustments in connection with the establishment of their joint subsidiary, the Sunshine-Waterloo Company, which got into production last year. These adjustments have been difficult to make with some 15,000 miles separating the two head offices. In the second place, the company decided that Western conditions dictated a complete survey of all outstanding accounts. The company's receivables have been individually gone over at every branch office and at head office and the report, when it appears, will show the accounts receivable pared to what the company's officials consider to be the most conservative expectations.

The report will probably appear in about three weeks.

Interest is Secondary Reserve

Waterloo Manufacturing has previously taken its book accounts at what has been considered a conservative figure. Not only had a substantial reserve been set up against bad debts and uncollectible accounts but nothing has ever been included as an asset for accrued or overdue interest, although at the end of the 1929 fiscal year, when the last report appeared, interest amounted to several hundred thousand dollars. This item was considered as an additional reserve against bad debts.

Report when it appears will show, it is understood, an operating loss for the year. In the 1928 fiscal year the company earned $275,000 after income tax or $3.15 on class A and $3.15 on class B stock. In 1929, earnings were $102,000 or $100 on class A and 74 cents on class B. In both cases, class A earnings are taken as representing the maximum participation for the year under the participation provisions.

Expect Some Profit

For the current year better results are forecast. Last winter, the company instituted a most rigorous programme of economy at its Waterloo factory and at all branches. Largely as a result of this, the operating loss to be revealed by the forthcoming 1930 statement will be turned into a small operating profit for the current year, according to present expectations. Extent of the profit depends largely upon Western business this fall. Western buying of the company's threshing machines and tractors has been, so far this year, about what might have been expected from Western crop conditions. There has been a substantial parts business, which is welcome since it is cash business. But the machines themselves have moved slowly. Some last minute business is expected as farmers and operators find that they are unable to make their old machines give the additional season's service expected of them.

In Ontario, however, the company has shown a pick up in threshing machine sales which are running above last year.

Combine Sales are Slow

No large turnover of Sunshine combine reaper-thresher, made by the Sunshine-Waterloo Company, in which Waterloo Manufacturing holds a half interest, is expected this season. The Canadian company controls the Canadian and United States and some other markets. The new plant at Waterloo manufacturing these combines has been operating. Early in the year assembly of parts imported from Australia was carried on but the job is largely Canadian now.

Exact extent of Waterloo Manufacturing Company's investment in this subsidiary has not yet been revealed. It is known to be at least $250,000, which is half of the company's $500,000 of capital, but it is understood that additional advances have been made during the present year. The annual report may provide further information on this point.

Is Looking Ahead

Waterloo Manufacturing Company is looking ahead in this Sunshine investment. The machine is believed to have given ample proof of its adaptability to Canadian and United States conditions but in a year like this it is not to be expected that wheat farmers can afford to swing over in large numbers to the combine type of harvesting. Sale of the combines in large numbers awaits an improvement in Western purchasing power both in Canada and across the line. Profitable operations for the Sunshine subsidiary in turn await the larger output and sale.

Beauharnois Reorganization May Have to be Undertaken In Order to Complete Project

With Proceeds of Collateral Trust Bonds Exhausted and Banks Hesitant About Further Advances, Need of Capital Presents Problem

PUBLIC FINANCING OUT OF QUESTION

Ottawa "Soured" on Present Management—Given Control, Montreal Power Might be Interested in Completing Project and Protecting Bondholders, Whose Security Has Depreciated Considerably

From Our Own Correspondent

MONTREAL.—Public confidence in the guiding interests of the Beauharnois Power Corp. has been severely shaken as a result of disclosures brought out at the enquiry being conducted by a special committee of the House of Commons.

Contributions of nearly $1,000,000 by R. O. Sweezey and the company to the campaign funds of political parties; lawyers' fees running into several hundred thousand dollars; payment of $300,000 in cash, as well as a large block of stock to R. A. C. Henry and Senator W. L. McDougald for the assets of Sterling Industrial Corp.; payment of $120,000 to John Aird, Jr., the specific reason for which has not been fully determined, and many other apparently lavish outlays of money, are a few of the features of the enquiry over the past week.

Bond Proceeds Exhausted

It has been disclosed that the $30,000,000 raised from the public through the offering of collateral trust bonds has been used up and that the corporation is now indebted to the banks for a sum not far short of $10,000,000. These loans are secured by an issue of first mortgage bonds of Beauharnois Light, Heat and Power Co. which it is proposed to sell to the public later on, the proceeds to be used in part to reimburse the banks.

Bondholders across the country have been shocked at the disclosure to date, but their concern is not with the characters in the play but in the outlook for the company.

Earlier in the enquiry it was stated by Hon. Wesley Gordon, chairman of the committee, and agreed upon by leaders of the Liberal and Progressive groups, including Robt. Gardiner, who was instrumental in having the committee appointed, that the investor should be protected at all costs.

Position of Company

At the moment there is considerable speculation as to the manner in which the Beauharnois power project will be carried to completion. It is realized that operations cannot be suspended if the company is to carry through its contract and start making delivery of electrical energy to the Ontario Hydro-Electric Power Commission in October of 1932.

The company is now carrying on with money borrowed from the banks. The damaging evidence brought out at the enquiry has led to the intimation that the banks are not anxious to make further loans. While they are heavily committed to date the opinion prevails here that as no new public financing can possibly be carried out for the time being, the banks will not care to assume the obligation of financing the company until the plant is brought into operation.

Beauharnois Power Corp. is apparently up against an impasse, but, on the other hand, the fact is generally appreciated that in the interests of the investors, who subscribed for the collateral trust bonds, some arrangements will have to be made to raise the necessary additional capital to bring the works to completion.

Reorganization Possible

Opinion in well-informed Ottawa circles is that one certain result of the evidence on campaign funds given by R. O. Sweezey will be a reorganization of the present company. It is stated that the Beauharnois company, under the present management, will not receive favorable consideration from the Bennett Government on any matter concerned with plans or diversion of St. Lawrence water. Since the company has never obtained approval of its detailed plans, a reorganization is in order.

When the reorganization will take place cannot be foreshadowed. The Bennett Government will do nothing to force it. Ottawa says that all the Government will do is to refuse to do business with the company until there has been a general housecleaning and a satisfactory reorganization of the management.

New Control Likely

This view coincides with that prevailing in Montreal circles. The opinion here goes even further, however, in respect to completing the project. Holders of Beauharnois Power Corp. bonds are the principal consideration at the moment. Their interests must be protected. To that end it will be necessary to restore confidence in the undertaking. This involves a change in management and, if the banks will not finance the project to completion, a possible change in control.

On the assumption that the banks will not feel it incumbent upon themselves to advance further loans, the raising of additional capital through the offering of the first mortgage bonds of Beauharnois Light, Heat and Power Co. is regarded as an impossibility—at least for the time being.

Problems of Financing

It is to be doubted if there is an investment banking house or group in Canada that would care to underwrite the first mortgage bond issue on anything like a reasonable price basis. The discount demanded would be too heavy for the company to bear.

Yet to complete the project steps will have to be undertaken very shortly to raise the money through channels other than the banks. The latter is said to have agreed to advance up to $20,000,000, about half of which has already been spent. As expenditures are ranging around $2,500,000 a month, it is apparent that new capital will have to come from other sources before the enterprise is complete and in operation.

The impression is gaining ground here that Montreal Light, Heat and Power Consold. will step in and take over control. This company is already interested in Beauharnois through a contract to take 200,000 h.p., in addition to which it has a financial stake. Montreal Power is also in the position of having a large reserve and is in receipt of heavy payments month to month from customers who bought stock on the installment plan, all of which would permit it to finance Beauharnois.

Would Want Control

It is believed that Montreal Power would not be interested in taking over Beauharnois unless the present stock control is squeezed out. On the basis of leaving the collateral trust bonds with their stock rights undistributed, Montreal Power might be interested in assuming responsibility for raising the rest of the needed capital, provided it was given control.

This would mean the wiping out of the large block of "A" stock which was given to the syndicate members and underwriters.

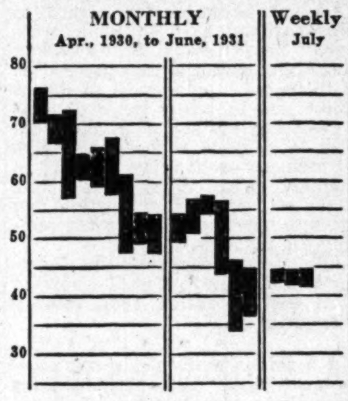
Through its strong cash position and investment reserve, Montreal Power could carry on the current development work until such time as the market was in a position to absorb the offering of Beauharnois Light, Heat and Power Co. bonds. When that time comes about, the new issue could be offered with a guarantee or Montreal Power could make an offering of its own bonds with the Beauharnois undertaking as security.

In any event Montreal Power is probably the only private agency in the Dominion in a position at present to carry the project through to completion.

One thing is evident as a result of the disclosures to date, namely, that having lost the confidence of public, it would be an extremely difficult matter to finance the operating company with the present interests in control.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of July 21	44.5	40.9
Week of July 14	44.4	41.5
Month of July, 1930	66.7	59.7
8 Bank Stocks		
Week of July 21	229	228
Week of July 14	230	228
Month of July, 1930	256	249
10 Public Utilities		
Week of July 21	71	68
Week of July 14	71	69
Month of July, 1930	93	88

Laura Secord Report Shows Good Progress

The balance sheet of Laura Secord Candy Shops Ltd. as at June 30, the end of the third quarter in the current fiscal year, shows further strengthening of current position, increased reserves for depreciation, increased surplus and no preferred stock outstanding. As has been the custom in the past year no statement of earnings is given but the balance sheet is indicative of substantial progress.

Ratio of current assets to current liabilities is up to 30 to 1 as compared with 19.7 to 1 at March 31, 1931, and 19.56 to 1 at September 30, 1930. Current assets have increased to $1,469,476 from 1,463,162 shown in the previous quarterly statement. Cash has been increased to $95,137 from $37,378 and inventories are down to $137,081 from $173,208. Bonds at book value, under the market price, remain about the same at $1,155,193, while investment in subsidiary company is down to $82,065 from $92,265.

Investment in land, buildings and equipment is up from $710,654 to $716,426, while reserve for depreciation has been increased to $385,375 from $360,193. Mortgage receivable and deferred charges are slightly lower at $6,874 and $4,697 respectively.

Current liabilities are down to $48,101 from $74,202; accounts payable and accrued charges being somewhat greater at $24,222 but reserve for income tax being down to $23,879 from $53,000. There are 57,500 shares of no par value common stock outstanding carried at $904,464, this shows a slight increase due to the conversion of the last $500 of preferred stock during the last quarter. Surplus is up to $859,534 from $848,805 and compares with $788,427 shown at September 30, 1930.

Montreal Power Buys More Energy

From Our Own Correspondent

MONTREAL.—Power contract between Montreal Light, Heat and Power Consold. and Beauharnois Power Corp., calls for delivery of 200,000 h.p. It will be recalled that at the time of financing in December, 1929, Beauharnois officially stated that Montreal Power had contracted for 150,000 h.p. In the evidence brought out at the Beauharnois inquiry, it was shown that on November 19, 1930, a new contract had been entered into whereby Montreal Power agreed to purchase 200,000 h.p. at the rate of $14.65 per h.p., subject to certain terms and conditions.

CAN. POWER PLANS NEAR COMPLETION

Committee Within Reach of Majority on Issues

From Our Own Correspondent

MONTREAL.—Securities deposited under the reorganization plan of the Security Holders Protective Committee of Canada Power and Paper Corp. up to Saturday last place the committee within sight of their objective, namely, a majority of all issues.

Following are the percentages of the different classes of securities deposited up to July 18: bonds, 71; debentures, 63; preferred, 62; and common, 68.

The Committee is still waiting for a clear majority in all the individual issues before making its announcement in regard to management and the new board of directors.

Select Montreal Man

Considerable work has already been done in that direction and the president of the reorganized Canada Power and Paper Corp. will be a Montreal man, who is a highly regarded expert in re-establishing industrial concerns. There are a number of tentative names for the directorate, but to date nothing definite has been done in this regard.

Security holders of Belgo Canadian Paper Co., under the leadership of Hubert Biermans and John Stadler, continue in their opposition to the plan.

Biermans Issues Statement

Toward the end of last week and just prior to his sailing for the Continent, Hubert Biermans made a public statement to the effect that the Committee had not then secured a majority of the bonds. He further said:

"Of course the committee of the Canada Power & Paper Corporation will make every effort possible to induce them to deposit their securities in the name of that committee, claiming that Mr. Biermans will not be able financially to complete his plan of reorganization of Belgo alone.

"I can only repeat here what I have previously declared—that the Belgo security holders have been unjustly treated by the committee of the Canada Power & Paper Corporation, and that it is necessary for the bondholders to take steps to protect their own interests, and the only way to save their investments would be to take up the property through action by the bondholders.

Forfeit Exclusive Rights

"By depositing the securities in the name of the committee of Canada Power & Paper Corporation, the holders of Belgo Bonds are forfeiting their exclusive rights to one of the best industries in the province, and will receive in exchange securities affecting properties of a much lower value, and mortgaged to the extent of an exaggerated ratio—without receiving any compensation whatever for the enormous difference in value represented by the above items between Belgo and the other subsidiaries together.

"Moreover, the committee of Canada Power has been unable to positively and finally declare that their connection with Anglo-Canadian

(Continued on page 2, col. 6)

MOUNT ROYAL PROFITS GAIN IN HALF YEAR

Reduced Operating Costs Offset Decreased Room Sales

GROSS INCOME OFF

Hotel Business Experiences Sharp Curtailment in Luxury Spending Power

From Our Own Correspondent

MONTREAL.—Despite a wide decline in room sales and a still greater reduction in expenditures of patrons on various hotel luxuries the management of Mount Royal Hotel Co. has been able to bring expenses down to a point where net earnings to date show an increase over those of last year.

The hotel year may be divided into seven lean months and five fat ones, the latter from June to October, inclusive. The record of earnings to date and the prospects for the current tourist season have been such as to warrant, in the opinion of the management, the distribution of a dividend of 1 per cent on the preferred stock. This was paid on June 30 on the $6,607,700 of 6 per cent preferred; a similar disbursement was made on April 25 of this year.

Prosperous Months Here

The so-called prosperous months in the hotel, business this year, however, are not what they were two years ago. Spending power has been curtailed, especially spending power as applied to luxuries, and the Mount Royal Hotel, which is the largest in Montreal and the second largest in Canada, has felt the situation keenly.

The number of tourists visiting Montreal this year is reported as being up to the average in numbers. But they are seeking lower-priced accommodation and when they do patronize the larger hotels, they spend less money on the various services sold by them.

Two Sources of Revenue

Broadly speaking, in the luxury class hotel revenue may be divided into two classes, 50 per cent coming from room sales or necessities and 50 per cent from luxuries. The latter source of income has been cut by approximately 75 per cent; room sales or necessities have shown a less material but nevertheless appreciable decline.

In the case of the Mount Royal the management was faced with the vital necessity of bringing controllable expenses into line with income. There are some 52 items of expense which can be checked daily and it is in these that operating costs have been lowered.

Employee Co-operation

It has been no easy task and it has been accomplished largely through the ability of the management to secure the co-operation of employees; it is stated that today the standard of efficiency in service is probably higher than it has ever been.

A hotel, like a railway in some ways, sells service. If this service is impaired the ultimate cost, even though a temporary saving may be effected, will find heavy reflection in years to come. Consequently the standard of efficiency has had to be maintained despite reductions in expenses.

Close Some Rooms

Controllable expenses are checked to the nearest cent each day. Uncontrollable expenses, embodied in empty rooms, are another problem. For rooms, even though they are not occupied, add heavily to overhead. There are cleaning expenses, laundry, supervision. ele-

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FORM NEW FIRM TO MANUFACTURE ALUMINUM GOODS

Aluminium Ltd. Controls Recently Organized Concern

From Our Own Correspondent

MONTREAL.—Aluminum Goods Ltd. has been jointly formed by Aluminium Ltd. and the Aluminum Goods Manufacturing Co., with a capital of $500,000, for the purpose of manufacturing and distributing aluminum goods in Canada.

The majority of stock in the new company is owned by Aluminium Ltd., while the Aluminum Goods Manufacturing Co. holds a substantial interest.

Aluminum Goods Ltd. has taken over a factory at Toronto, where operations will be centred. Raw materials for manufacturing operations will be obtained from subsidiaries of Aluminum Ltd.

Create Holding Company

Aluminium Ltd. was incorporated in 1928 to acquire control of all the Canadian and foreign operations of Aluminum Co. of America, but later was entirely segregated from the American company. In the same year the American concern distributed all of the common stock of Aluminium Ltd. among its own shareholders on the basis of one share for each three shares of Aluminum Co. of American held.

Early in the next year it was announced that Aluminium Ltd. was entirely segregated from the Aluminum Co. of America, the United States company having transferred to the Canadian organization all of its foreign interests.

Aluminium Ltd. now owns, besides the controlling interest in Aluminum Goods Ltd. all of the outstanding common stock of Aluminum Co. of Canada, and a majority interest in 33 companies operating outside the United States. Through these subsidiaries, Aluminium Ltd. owns large reserves of bauxite in British Guiana, where a drying and concentrating plant is operated; smelting plants in Canada, Norway and Italy; fabricating plants in Canada, England, Germany, Switzerland and India.

The chief Canadian subsidiary, Aluminum Co. of Canada, operates a smelter at Arvida, P.Q., and owns a 100,000 h.p. development at the same point. Its subsidiary, the Demarara Bauzite Co., operates a $3,000,000 drying plant in British Guiana. The Alcoa Power Co. was formed in 1925 to develop a power site at Chute-à-Caron, where there is an ultimate capacity of 1,260,000 horsepower.

At the Chute-à-Caron site, two generators have been installed in the new plant, giving 250,000 h.p. capacity, and two additional generators will be installed shortly.

NATION'S BUSINESS

(Continued from page 1)

eration by the political leaders of the country.

When campaign contributions become large enough and are just timely enough they run close to the line of corruption. The important factor in this instance is what the public thinks of the particular contributions made. The public's opinion is not a party one. What difference does it make that the Liberals were chiefly involved?

* * *

IT SEEMS to be rather apparent now that the Conservative Party went into the last election knowing that if they were defeated at the polls they had evidence regarding campaign contributions by Beauharnois to the Liberal Party which would probably result in government defeat and force another election.

The refusal of the $200,000 contribution by the Conservatives and the knowledge they probably had of financial dealings with Beauharnois on the part of prominent Liberals, would seem to have made their return to office, in such an event, almost a certainty.

But Beauharnois is not the first business enterprise to pay heavily into party treasuries and the Liberals, it may be taken for granted, do not find their election campaigns more costly than those conducted by the Conservative Party.

* * *

FROM the investor's standpoint two other points stand out in the evidence and these The Financial Post considers to be of prime importance:

* * *

FOUR: Those who put up the original money to finance the Beauharnois syndicate took long gambles, and stood a chance of losing all. For this reason they were entitled to long profits if they achieved success. But those profits should not have been taken out of the enterprise as soon as the necessary rights and privileges were obtained and it was possible to finance on investors' money. For Beauharnois Power Corporation to have borrowed $30,000,000 from the public and then to have used $4,750,000 of this same mortgage money to buy out the largely intangible assets of the syndicate on a basis that provided substantial profits to those who invested in the syndicate was unsound financing. It left no equity behind the bonds whatever. In fact it left an impairment of the bond capital. It did not take the present investigation to bring out the exact amount of these profits for the facts were published in The Financial Post at the time and The Post was critical of them. Moreover, The Financial Post declared in an editorial, August 13, 1929, that Frank P. Jones had no right to use his influence at Ottawa to obtain rights for the company and then to withdraw with a large cash profit.

* * *

FIVE: Again from the investors' standpoint it has been clearly demonstrated that through a combination of ineptitude on the part of some and mere greed on the part of others, the Beauharnois enterprise has been developed in an atmosphere charged with potential danger. Things were done that the public either would not be able to understand or would disapprove of if it learned of them. Eventually, the facts had to come out and the whole future of a great engineering and development project is now menaced by an understandable public antagonism. No group of promoters or financiers has any right to conduct its operations in a way that will not stand the fiercest light of publicity. It is fairly obvious now that Beauharnois has been put together with a somewhat reckless disregard for public opinion and from the investment standpoint this is most unfortunate, because odium is thrown not only upon this one undertaking but upon all forms of private business and promotion.

* * *

WHAT influence will the present situation (in regard to Beauharnois) have on public opinion?" The Financial Post asked in 1929 in an editorial that proceeded:

"Canadian opinion is a silent force and therefore more dangerous. Politicians say when audiences fail to respond to spellbinding it is ominous—something is going to happen. When it does the public loses all sense of proportion and goes to extremes. It does not remedy—it destroys."

This is the danger in the Beauharnois affair; that public opinion will destroy rather than remedy the situation.

* * *

AS this is written it seems obvious that the parliamentary committee investigation of Beauharnois will be quickly wound up, leaving the public suspicious that the whole story has not been told. Beauharnois cannot go on in an atmosphere of distrust and the demand that the investigation should probe deeper, through the medium of a Royal Commission headed by an impartial and able chairman, is one that merits the serious consideration of the prime minister. The public across Canada is in no mood to supress information, condoning the graft which has already been uncovered.

And while the evil influence of easy speculative profits on the nation's business is under investigation, it should not be overlooked that there are other situations that cry aloud for investigation, if pitiless publicity is to be used as a cleansing agent in Canadian public affairs. Of these situations none is more serious than the scandalous relationships between prominent Canadian political leaders and the mining brokers who are now serving terms for defrauding the public, as well as with promotional groups that have to date escaped censure or punishment.

The relationship of the same and other groups with the rum-running traffic as well as the secret profits made in connection with the purchase of liquor for certain governmental stores might also be studied.

Some of the interests involved in the present affair are also involved in the Montreal Bridge. Montreal Terminals, extravagant C. N. R. expenditures and the settlement of German investments and properties seized in Canada. All these should now be cleared up by properly constituted investigating commissions—bodies in which the public have absolute confidence.

* * *

More Misinformation on Grand Trunk

WHILE The Financial Post has expressed the view, on numerous occasions, that the junior shareholders of the old Grand Trunk should be given an opportunity to prove in the courts any claim they may have on the properties of the old Grand Trunk Railway, the more recent activities of those who are acting for these stockholders are calculated to injure the standing of the claimants both with the Federal government and the general public of Canada.

A timely example of unwise, even mischievous propaganda is a fly sheet now being circulated by R. C. Hawkin, chairman of the Grand Trunk Perpetual Stocks Committee, London, which contains a copy of a letter written by Mr. Hawkin and published in the Financial News of London. In this letter, Mr. Hawkin says: "No one will, therefore, be surprised to hear that our American fellow stockholders have complained to Mr. Stimson, of the U. S. State Department, on the subject. And no one will be surprised that Mr. Stimson wants to know what Canada is doing about it."

Again, Mr. Hawkin says: "I hope the meeting," (a meeting of these stockholders) "will urge our Government to join with the American Government in insisting on a fair settlement of our unanswered and unanswerable claim."

* * *

IN THESE sentences, Mr. Hawkin apparently seeks to create the impression that the United States government has made some representations to Ottawa on the subject of the Grand Trunk junior stockholders. In doing so, he is violating the facts. The United States government has never made any representations, either directly or indirectly, to Ottawa on this subject. There have not even been informal conversations between our public men and U. S. diplomats. This The Financial Post confirmed at Ottawa.

If these junior shareholders have an unanswerable case, as Mr. Hawkin asserts, their business is to present it at Ottawa in such a way that justice must be done. Mr. Hawkin will only do his clients grave injury by spreading misrepresentations of the kind quoted.

Regent Knitting Sales Increase

From Our Own Correspondent

MONTREAL — Sales of Regent Knitting Mills to date have shown an increase over the same period last year, and it is expected that the financial statement covering the first half of the current year will show a betterment in earnings.

While net earnings in 1930 resulted in a profit of $61,653 as compared with a loss of $7,736 in the previous year; write-offs on account of depreciation and inventory resulted in a deficit of $101,711 for the year. A balance of $412,794 was brought forward into 1931.

New tariff regulations have aided the company while it is feeling the benefits of its new plant location at St. Jerome. Though operations were moved from Montreal to that point in 1929 several difficulties were encountered before activities became firmly established in the new unit.

SEEK TO SELL MAIN PROPERTY OF STANFORD'S

Only Source of Cash Available, Creditors Are Told

From Our Own Correspondent

MONTREAL.—Unless Stanford's Ltd. is successful in obtaining some working capital immediately, prospects are that the company will have to go into bankruptcy. The most obvious source of ready cash is seen in the sale of the company's Mansfield street property and it is understood that efforts will be made to dispose of this building.

The structure on Mansfield Street is the principal asset of the company which operates a chain of ten meat markets in Montreal. The building has a civic valuation of $195,000 with a mortgage against it of $125,000. It is stated that two real estate firms have placed a valuation of about $225,000 on the property.

Letter to Creditors

The situation surrounding the company has been set forth in a letter issued by Harold J. Inns, secretary to the Creditors Committee. The company, he states, is presently buying on a hand-to-mouth basis and unless working capital is secured, the company must place itself into the hands of a receiver.

The committee is reliably informed that shareholders will not provide additional capital and since the bank, which is carrying an overdraft of $150,000. has refused to honor further cheques since June, the only relief is to sell the building and to sell it soon.

Estimates $12,000 Loss

The management estimates a loss of $12,000 during the next three months, while it is expected that a profit of a similar amount would accrue during the following three months which would include the Christmas trade. Mr. Inns points out that if the petition for winding-up goes through, it is problematical if any dividend will be available to the creditors, since landlords of the stores are secured to the extent of stock and fixtures and will rank as unsecured creditors for the balance.

Reviews Past Activity

In viewing the company's operations in the past four years, Mr. Inns said in part:

"During the period 1927-1930 the general trend of operation was down and by the summer of 1930 the liquid position of the company was impaired. Nevertheless, during those three years, the directors authorized and the company paid dividends on the 1st and 2nd preferred shares to the amount of approximately $49,000 per annum. The last dividend payment was made in May, 1930—in the fiscal year August 1929 to August, 1930, $36,750 was paid in dividends.

"The Minute Book shows that one director went on record against dividend payments toward the end of 1929 because the statement showed that same had not been earned—nevertheless the directors voted for payment.

"For the year ending August, 1930, the company showed a net decrease in current position of $90,736 and after adjustment for depreciation for that and previous years, a total reduction in capital of $249,350.

Purchased Common Stocks

"Records of the company also show that in November, 1928, the directors authorized the purchase of common stocks of Brazilian Traction, International Nickel and Montreal Power to an amount of $65,868.18. These securities were later sold with a gross loss of $31,536.

"In August, 1930, the directors contracted with William B. Nichols & Co. of New York to manage the business. The contract was for five years and for $15,000 per year plus salary of manager of $12,000 per year." A new directorate was formed in the fall of 1930.

New Type of Barn Helps Eastern Steel

Eastern Steel Products is reported to be enjoying good sales for a new type of barn manufactured by the company. The new barn is made of pressed steel with a baked enamel surface, somewhat like the fenders of a motor car. The sheets are obtainable in the desired shapes and in a range of colors, bringing new beauty to old farms.

The company's own engineers and workmen erect the barns. Cost is said to be about the same as for barns of wooden construction. Grounding removes danger from lightning.

MAPLE LEAF FISCAL YEAR IS FAVORABLE

(Continued from page 1)

of $1.23 for every $1 of current liabilities, which is fairly representative of the ratio maintained in previous years. For the period ending July 31, 1931, however, the ratio was the other way round with current assets at 72 cents for every $1 of current liabilities—a situation which showed practically no change at the end of January, 1931. In all probability, therefore, the 1931 annual report will see the customary excess of assets restored. Last year the company's annual statement appeared on Oct. 17, but this year it is expected to be ready in September. It is expected that at the annual meeting two vacancies on the board will be filled.

As to future prospects, those closely in touch with the company's affairs are not unduly pessimistic, despite the difficult situation through which the flour milling companies are passing. Major A. E. Nash, managing director of the company has just returned from England where valuable contacts in the interest of the company were made, and he is understood to be hopeful that prospects for export business in the next year may show some slight improvement over those prevailing up to now. At present it is believed that the company is operating on about a fifty-fifty basis as far as its domestic and export business is concerned, a ratio which would be much more profitable if export business could be increased so as to form more nearly 65 per cent of total business.

As to the relation which present operations bear to the capacity of the company's mills no definite information is available but it is believed that the company is on a considerably better basis than the 36 to 40 per cent ratio which is shown for all wheat flour mills in Canada by the Dominion Bureau of Statistics in its monthly review of the industry.

MOUNT ROYAL PROFITS GAIN IN HALF YEAR

(Continued from page 1)

vator service and many other items which mount up rapidly in connection with non-productive empty space.

The Mount Royal has adopted a logical policy in this regard and has closed off a block of rooms for several months in the slack seasons. Substantial savings have thus been effected; depreciation of property has been reduced and the various costs of service necessary to maintain the rooms has been dispensed with.

Store Rentals Increase

There is, however, an item which has shown a gain in recent months. This is the rental obtained from stores located in the hotel. While some of the stores were operated on a profit-sharing basis and have been affected to some extent this has been more than compensated by leasing additional space for other purposes.

Control of Mount Royal Hotel Co. passed into the hands of a Montreal investment bankers syndicate early in 1930 through the purchase of the majority of common stock and a substantial amount of preferred. The new interests immediately adopted new policies, a feature of which was the writing off of larger amounts for depreciation. In addition, the regular preferred dividend was discontinued though payments have since been made from time to time as conditions warrant.

Earnings Lower in 1930

Earnings in 1930 reflected the decline which had become apparent in the hotel business. Net operating income totalled $804,821 as compared with $1,045,035 in the previous year; the preferred stock earned $2.97 a share as opposed to $6.19 a share in 1929. Depreciation was charged off to the extent of $321,000 while under the former régime $170,000 had been provided on this account.

In the report to shareholders at the end of 1930, J. Alderic Raymond, president of the company referred to the economies which were being placed in effect. At that time he pointed out that the application of these economies would become more apparent in future operations and should be reflected in an increase in earnings available for dividends.

This has come about though it is possible that conditions have proved more onerous than was anticipated. The number of conventions has fallen below the average, cancellations and smaller attendance having been evident.

Indications are that operations of the hotel on its present basis will be quick to reflect an improvement in this class of business generally.

CAN. POWER PLANS NEAR COMPLETION

(Continued from page 1)

Pulp & Paper Mills has been definitely severed, both commercially and as far as operating is concerned.

Says Obligation Exists

"Although the committee has announced that Anglo-Canadian Pulp & Paper Mills, Limited, have been left out of their reorganization plan, it does not mean by any means that their mutual obligations are void.

"It has been demonstrated that the arrangement between Anglo and Canada Power & Paper has been a ruinous one for Canada Power, and if this situation persists the Canada Power is surely headed for bankruptcy.

Dunning Answers Biermans

Following this, Hon. Charles Dunning, chairman of the Committee, issued a statement in which he made public the percentages of securities deposited up to the middle of last week and then went on to make definite statements in respect to management and to comment upon certain statements made by Mr. Biermans.

The statement issued by Hon. Charles Dunning follows:

"The committee has carefully examined the proposals made by Mr. Biermans to Belgo bondholders, which, of course, apply only to that company, and is of the opinion that even if Mr. Biermans were successful in raising $5,000,000 in cash, upon which his plan would depend to get started, success would be very doubtful, and, in any case, the present Belgo bondholders would, under Mr. Biermans' plan, lose their first mortgage rights entirely, and would have an equity in a single mill and timber limits instead of a first mortgage bond on all mills, timber limits and other properties in the group plus an equity in the whole group which the committee's plan provides.

Differences in Plans

"Mr. Biermans' plans are based on the hope that he can raise $5,000,000 in cash, secure working capital, newsprint contracts and efficient management; whereas the committee's plan is based on retention of present contracts, adequate working capital arrangements and a co-ordinated industry based upon a sound financial structure. Regarding direction and management, response from security holders has been sufficient to warrant the committee in approaching men of the highest business standing to act on the new board of directors, many of whom have already accepted. Negotiations have been practically concluded with an outstanding industrial executive who has never been connected with the company, who will become president and executive head of the new company. The committee expects to be able to announce the names of the president and directors within a few days. The majority of the new board of directors who will control the management of the new company must, under the plan, be appointed by the committee to act for five years, and this majority will not include any members of the old board.

Anglo-Canadian Out

"Regarding Mr. Biermans' questions respecting Anglo-Canadian Company, the committee's plan provides for the complete separation of the two companies and this will be carried out.

"In order to accomplish Mr. Biermans' objective, disintegration must take place. This, the committee decided after mature consideration and deliberation, would be disastrous to all security holders including the Belgo security holders.

"It must be obvious to any one giving consideration to the present dangerous condition of the newsprint industry that liquidation and litigation would demoralize the whole situation and might spell disaster to one of Canada's greatest industries, with the further serious impairment of the equity of the Belgo bonds and preferred stocks, along with all the rest. As against this may I reiterate that our plan provides an excellent prospect of bringing order out of chaos."

Develop New Angle

In connection with the deposit of securities, an important angle has developed and which is of interest to the holders of junior issues. This is that in the event of the mortgage holders approving of the plan and the preferred stockholders disapproving, the latter would have considerable difficulty in establishing any rights. This would lead to complications, but precedent would be that the preferred shareholders would have to satisfy the bondholders before they can assume any measure of control.

Toronto Manager Retires

After 52 years banking life, A. B. Patterson, manager of the King and Yonge branch of the Bank of Montreal since 1921, retirel on June 30 last. Joining the Merchants' Bank of Canada as a junior in Hamilton in 1879, Mr. Patterson came to Toronto in 1905. He was manager at this branch in 1921 when the Merchants' was taken over by the Bank of Montreal, and he has remained in this position since.

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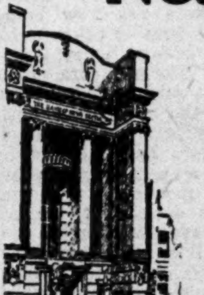

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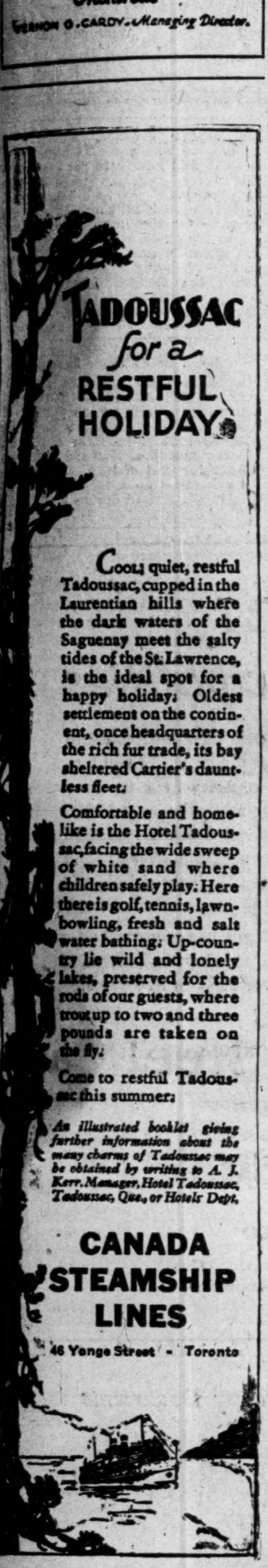

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BERYL DEPOSIT IN RENFREW CO. BEING EXPLORED

Toronto Syndicate Formed to Test Possibilities of Deposit

Exploration of a beryl deposit in Renfrew County, Ontario, is being undertaken to determine its potentialities.

The presence of beryl in Renfrew County has been known for many years but recently the demand for the mineral in quantity has stimulated exploration work.

From beryl the metal beryllium is obtained, which is lighter than aluminum and stronger than steel and looked upon as the coming metal for the manufacture of airplanes.

With the backing of United States capital, a group of Toronto men formed the Madawaska Syndicate and have acquired about 10,000 acres of land in Renfrew County, and are now carrying on active exploration work at three different points.

Production Limited

Owing to the difficulty of obtaining beryl in quantity and the high cost of reducing it to the metal beryllium, no production on a commercial scale has yet taken place. The price of the metal beryllium in recent years has ranged from $100 to $200 per pound and the price of beryl is now quoted at $60 per ton. The beryl in Renfrew has been analyzed and found to contain about six per cent beryllium.

Some 30 men are now employed in blasting and drilling operations, opening up the beryl deposits and as more equipment is brought in more men are being engaged. The beryl is found in the surface rocks and the operations are more in the nature of quarrying than mining proper.

Dividend is Passed By Standard Paving

Directors of Standard Paving & Materials Ltd. have passed the dividend on the common stock normally due on August 15. Any action will be deferred in order to maintain a liquid position until it is possible to estimate the earnings for the current year more definitely.

This action follows closely after the announcement of the formation of a subsidiary in the maritime provinces. The company is reported to have secured a number of contracts in the east and has more in prospect. The common shares have been on a $2 a year dividend basis since the initial payment made on May 15, 1929.

The preferred dividend of the Standard Paving & Materials Ltd., and on the preferred stock of its subsidiary, Consolidated Sand, & Gravel Ltd., have been declared as usual.

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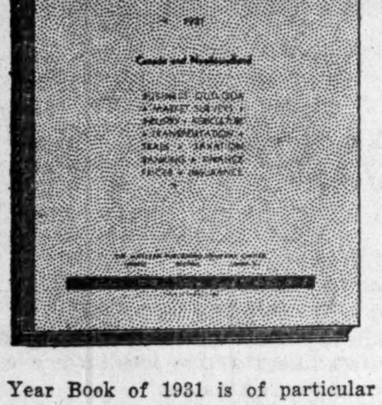

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Stock Market Leaders of Tomorrow

Steel Company of Canada Has So Strengthened Financial Position as to Give Promise for Future

By GRANT BROWN

ARTICLE THREE: STEEL OF CANADA

Steel of Canada presents a marked contrast to Shawinigan, last week's candidate for potential prominence. Shawinigan belongs to a group which has suffered comparatively little as to earnings, notwithstanding the depression. Electrical utilities are of the favored few which do very well in good times and tolerably well even in bad times. Steel of Canada belongs to a different breed. The steel industry is famed for its ups and downs. U. S. Steel, with net earnings of five cents a share for the first quarter of 1931, is an excellent illustration of the tendencies of even the strongest units in the industry when general business is poor. The leading Canadian steels, it is true have suffered less; but they share the general characteristics of the industry, and their earnings will certainly show a much greater shrinkage relatively than those of the best electrical utilities. With the revival of industry, however, their turn comes again. The "pauper" is once more "prince." Nor is there any reason to suppose that the old rule will fail in the next upturn. Renewed prosperity implies steel for skyscrapers and bridges, for automobiles, for rails and railway equipment, for machinery and implements of all sorts; and there is every reason to expect that the leaders in the industry will in time lead once more in spite of present slackness. This is an electrical age but it is also a steel age; and there is nothing to suggest that steel will lose its outstanding place in the modern world.

Excellent Record

If the steel group regains its profits and—as would naturally follow—its market popularity, there is every reason to expect that Steel of Canada will continue to hold a very prominent place in the group. Its record in previous slumps and reverses certainly warrants such an expectation. Incorporated in 1910 to absorb independent steel companies, it soon experienced the serious falling-off in business which both preceded and accompanied the outbreak of war; but the management was quick to adjust the company to the new conditions, and it was not long before Steel of Canada emerged from the slump of 1914 to build for itself an impregnable position during the next period. It was one of the leaders in the wartime bull market, but it came through the period of readjustment after the war in much better shape than some rival favorites. While others scattered large profits in too generous dividends or had sunk them in ill-advised overexpansion, Steel of Canada so husbanded its resources and strengthened its position as to be able to pass safely through the lean years, 1921 and 1922, and to add steadily to its assets and prestige in the more prosperous era that followed.

Profits Ploughed Back

Some features of the years of growth are worth noticing more particularly. Less than sixty per cent of the net earnings has been disbursed in dividends with the result that the surplus has grown from $1,258,000 odd in 1914 to more than $14,500,000 in 1930. It has been the policy of the management to keep the plant thoroughly modern with a view to the maximum of economy and efficiency in operation. Hence considerable sums have been taken from year to year out of current earnings and applied to various improvements and extensions. For example, an ore dock 3,000 feet long has been built at the Hamilton works to take advantage of the cheaper all-water transportation to be afforded by the new Welland canal; or again the years 1919-1930 have seen the completion of the major part of a great programme improvement which involved the expenditure of several millions. From 1925 to 1929 more than $7,500,000 was put into improvement without new financing. In fact during the interval the total funded debt was actually cut down by more than a million (from $6,177,406 to $5,058,264). At the same time the liquid position was well maintained. True, there was some decrease in the ratio of current assets to current liabilities, but there was an actual increase in the working capital (from $12,694,990 to $13,465,818) and the current ratio was still more than 5 to 1.

Further Big Improvements

The more recent improvements include new open hearth furnaces, the 12 inch and 10 inch rolling mill, a new central pumping station (especially valuable in an industry which makes such tremendous demands on the water supply)—all these at Hamilton—and the remodelling of the wire galvanizing department of the Dominion Works at Lachine. These are only a part of the extensions and improvements of recent years, but they may serve to show—what, after all, is the point of chief interest to the non-technical investor—that the management is thoroughly alive to the importance of up-to-date equipment both to lessen costs and to enable the company to take advantage of every possibility of developing the steel industry in Canada.

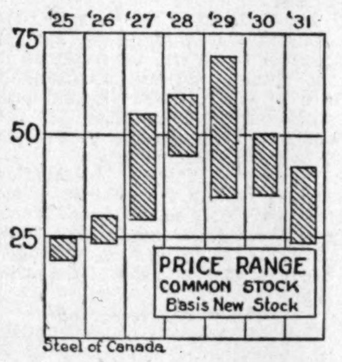
Production Diversified

Certain special advantages of Steel of Canada also promise well for future market leadership. One is the strategic location of its plants, of the main plant at Hamilton in particular. The lack of suitable iron ore and of local coal mines has handicapped the development of the steel industry in Ontario; but at Hamilton, ore from the Lake Superior ranges can be laid down almost as cheaply as at American plants, and bituminous coal from Pennsylvania is also made available by cheap transportation. The new ore and coal dock and the new Welland canal will mean a further reduction of costs here. Other plants at Montreal, Toronto, Brantford, Gananoque, London and Lachine for the most part get their material from Hamilton in the form of blooms, billets, rods, etc., complete the processes of manufacture and take advantage of their proximity to various important markets in disposing of the products—for diversity of products is another great advantage of Steel of Canada. It is one of the boasts of the company that no steel plant in the world has a more diversified production. From A to Z, from angle bars and agricultural shapes down to certain zinc products, it runs through the alphabet of iron and steel.

Another advantage of Steel of Canada is its control of the main sources of raw material through part ownership. As far back as 1917 the company began to acquire ore properties in Northern Michigan and in 1918 it obtained coal lands in Pennsylvania; so that it is, to some extent at least, independent of outside sources for its chief raw material.

Financial Position Strong

Another advantage—and a great one under present conditions—is its strong financial position. The balance sheet of December, 1930, showed net working capital of more than $13,700,000 of which about 40 per cent was in Victory bonds and approved securities, cash or call loans. Funded debt has been steadily reduced, until at present, interest and income from securities and investments exceed the interest payable on bonds. There were no bank loans. The Financial Post Corporation service has estimated the equity per share of common stock at $77.58 (after deduction of par value of preference stock), of preference stock at $162.34, of each $1,000 bond at $9,874.30. Under existing conditions, of course, book values cannot be translated into earning-power except to a very limited degree. Nevertheless, high book values when backed with large liquid resources provide strength to tide over depression and offer hope of brilliant recovery later.



Steel of Canada

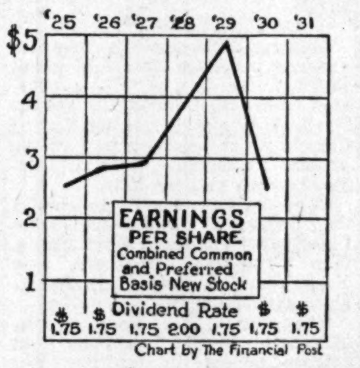


Chart by The Financial Post

Stock Has Done Well

The market history of Steel of Canada seems to justify expectations of recrudescence. After performing brilliantly as a wartime favorite, Steel suffered in the reaction of 1920-1921, when the old common (since split into four) sank from 88¼ in 1920 to 43 in 1921. It made a notable recovery in the succeeding period as earnings and assets increased until it touched 240 in 1928, was divided into four and attained a further height of 69¼ for the split stock (the present common) in 1929.

Status of Preference Stock

The preference stock shared in the market gyrations of the common to an unusual extent because of the provision that the preference shareholders, after receiving 7 per cent (on the old stock) were to participate equally with the common after dividends had been paid to the extent of 7 per cent on both classes. A recent decision of the highest court in the Empire has interpreted this to mean that the preference shareholders are not entitled to more than 7 per cent per annum (on the old stock) until the common shareholders have received the equivalent of dividends paid on the preference shares since the incorporation of the company—which amounts to about $10.85 per share of common stock in addition to dividends already paid. While this decision is unlikely to alter the immediate dividend policy of the company, it seems for the time being to give a sort of preferential status to the common stock; for there can be no increase in dividends until the claims of the common shareholders to their additional $10.85 have been satisfied. That the preference stock at the moment sells for three or four points above the common, is to be explained by the fact that the preference shares still enjoy their preferred status as to current dividends; and at a time when earnings are likely to fall at least slightly below the full $1.75 (7 per cent on the old stock) on both preference and common, the market prefers the greater security of the preference shares for current dividends to the remoter prospect of an additional $10.85 or so on the common when business has fully recovered.

More cautious investors are likely to find argument for the choice of the preferred; for even last year, when earnings in the combined preference and common shares were slightly less than $2.42 per share, the earnings on the preferred alone were almost $6.70—or nearly four times the $1.75 dividend. Purchasers of the preference stock at present prices obtain a yield of almost 5½ per cent with assurance of participation in any future prosperity of the company; purchasers of the common, with somewhat less security as to the maintenance of present dividends, obtain the title to an additional $10.85 "if, as and when" returning prosperity justifies disbursements above the present $1.75 dividends.

Tests for Leadership

Some of the tests suggested in an earlier article have already been applied. History and management, liquid resources, control of raw materials, and markets have already been dealt with in some measure; and so far Steel of Canada seems to meet every test satisfactorily. Two or three additional points might be noticed under these headings. It is a tribute to the capacity of the management that the difficult and rather expensive change from the long eleven and thirteen hour shifts was successfully carried out under the trying conditions of 1930. Appropriations for the benefit and pension plans, improvement in the accident record, thanks to educational work, efforts in a period of reduced operations to divide employment among the maximum number all attest the desire and ability of the management to safeguard the interests and secure the co-operation of employees. In regard to control of raw materials, it might be noticed that a tariff on bituminous coal which work to the advantage of the coal industry of the Maritime Provinces imposes a penalty on Steel of Canada unless accompanied by a corresponding drawback. Even 50c. a ton on bituminous coal means at least 70c. a ton on the coke which is manufactured from it.

More Stable Tariff Seen

Again as to markets, it might be pointed out that here the tariff is an important factor. While Steel of Canada in the past has managed to make headway with relatively little in the way of tariff concessions, the Canadian iron and steel industry as a whole has long attributed its tardy development to the step-motherly attitude of the Government. More recently both parties have recognized the claims of the steel industry; and the outlook for a stable tariff for iron and steel with reasonable safeguards against unfair competition is better than it has been for years. This should mean a considerable extension of the home market, inasmuch as importations of manufactured steel have been approximately equal to the whole domestic production.

U. S. Steel is Factor

In regard to another of our tests, competition, little can be said except that in the past capable management, diversification of products and certain strategic advantages have enabled Steel of Canada to hold its own against keen competition, and there is no reason to suppose that the company will fail to retain its place. Possible expansion of U. S. Steel's Canadian plant at Ojibway is an unknown factor at present.

As to political complications, it has been pointed out that the tariff has a considerable influence on the steel industry in Canada, but as the outlook here now seems fairly satisfactory, this particular test should not disqualify Steel of Canada as a potential market leader.

Present and Future

A statement made early in June by the president, Ross McMaster, makes clear the present situation. Mr. McMaster announced that earnings were somewhat better than had been anticipated but that dividend requirements were not likely to be met in full for the entire year. He also pointed out that the strong cash position of the company had been maintained for tiding over just such circumstances. It seems to be a reasonable inference, then, that the dividends on the common will be maintained unless earnings should drop considerably more than seems probable.

Whatever its immediate ups and downs, Steel of Canada seems likely in due time to regain its market leadership. When general industry recovers, the iron and steel industry will recover with it, and, in view of its great financial strength and its capable guidance, Steel of Canada can hardly fail to maintain its prominence among the steel stocks.

GEAR MAIL ORDER TO MODERN TEMPO IS SIMPSON PLAN

(Continued from page 1)

Mail order merchandising, as it has been conducted, has not changed enough in the past 20 years. Times have changed but mail order practice has followed the old grooves. The automobile, the radio, the movies and the wider distribution of magazines and similar reading matter have all speeded up modern life. The faster pace is noted in the country as well as in the city districts. Styles change rapidly and, as they change, every woman in the country is conscious of the change. Women in the rural districts have only to look at the pictures in the papers that come to their homes or go to the movies to know what the best dressed women of the world are wearing.

Science and invention are developing new products and new uses for old products. Public habits change at dynamic pace.

Prices have apparently set into a period of protracted decline. Recent mail order catalogues have been out of date from a price standpoint before they were issued. Even if price movements stabilize somewhat now there is a likelihood that the general trend will continue, for some time, to be downward.

Mail Order Problem

These were the conditions that the mail order business was facing. Many merchandising authorities had come to the conclusion that the mail order business had passed its peak of importance and service and was definitely in a state of decline. Business that formerly went to the mail order houses was going to the town and small city merchant, it was argued. Simpson's tested out this theory. They opened a group of retail stores in representative Ontario cities. There were ten of these, operating during various periods from August, 1928, to the end of 1929. They lost money and were closed. The chain store did not prove to be the solution.

Investigation revealed that many small city merchants were losing money. If the public had turned away from the mail order to the local store why was the local store not prosperous? No, thought Simpson's, there is no evidence that the mail order business has been made a back number by changing conditions of distribution. If the mail order business is not as profitable as once it was, the fault is to be found somewhere in the methods and practice in the business.

Delay is Chief Fault

The fundamental fact that was seized upon was the element of delay. There were delays all down the line. The mail order buyer, in March, had to anticipate the fall and winter styles and the fall and winter demand, and the fall and winter price. He ordered as carefully as he could. Then the goods had to be catalogued. It took over three months merely to prepare the catalogue. Drawings, page layouts, engravings had to be made. Then the catalogues had to be printed, bound and mailed. During every minute of this process the goods illustrated were getting out of date and were being subjected to price influences from every quarter of the globe. The catalogue, when it reached the customer had to last for six months, supplemented only by a smaller sale catalogue in some convenient mid-period. This was good enough 20 years ago but was not in tune with today's buying habits of the great general public.

All of the steps were carefully analyzed to see where delay could be eliminated. It was decided to produce the catalogue six times a year instead of twice a year. This would bring the actual buying of the merchandise and its sale to consumers at least two months closer together.

Speed Up Printing

It was then decided that the catalogue had to be produced with as little delay as possible. Study was made of the fastest and most modern printing processes in the world. The company entered into a ten-year contract with Photo Engravers and Electrotypers Limited, to produce the catalogue. Simpson's built a new $600,000 building on Mutual Street, Toronto, adjacent to the mail order house (again to eliminate even the small delays in trucking pictures and engravings half way across the city) and in a portion of this plant Photo Engravers established a $500,000 plant. Rotogravure was selected as the basic medium, first because of its obvious merits in presenting a faithful reproduction of the article to be sold and, secondly because of certain economies inherent in the process. On large editions modern rotogravure permitted high speed work. The rotogravure pages were to be supplemented by four-color pages and for this, rotary presses were installed capable of producing high speed work. Photo Engravers agreed to do the job on a cost-plus basis, the arrangement providing a sum sufficient for the engraving and printing company to write off its investment in ten years. It was estimated that the cost of producing six small catalogues a year would be $125,000 less than the cost of producing the two large catalogues and the mid-winter supplement.

Simplifies Stock-Handling

At the same time it was decided to simplify the line of merchandise offered. It was decided not to clutter up the pages of the catalogue with many staple items that the local consumer could buy more conveniently at his nearby hardware store, grocery store or drug store. It was decided, too, that there was no advantage in listing many items that were only bought by the farmer or small town resident in an emergency. It was decided to concentrate on seasonable merchandise that could be better supplied to the people of Canada by a large scale merchandising organization such as Simpson's. Obviously, a 72-page or 112-page catalogue could not list as many items as a 300- or 400-page catalogue, especially if the items selected were to be given the larger and more pleasing display required to match modern reading habits. This cut the field down to a smaller number of items that promised, however, to be more profitable. The job was to select what Simpson's could sell by mail to best advantage; where the best service could be given.

All Merchandise This Time

The new catalogue has 64 pages and cover. Every page except the front cover and one page inside offers goods for sale. Emphasis is placed upon women's wear, millinery, men's wear, shoes, fabrics and house furnishings. Certain pages are devoted to a limited number of jewellery items, china, silver, radios, and drug sundries. The catalogue is called Simpson's "Canada Wide" and is dated August and September. The next catalogue will be dated October and November and will be larger, featuring late fall and winter goods. The December and January catalogues will be the important pre-Christmas catalogues and will appear about November 15.

It is now possible to go through the entire process of cataloguing an item in three weeks but, generally speaking, the working minimum between the actual purchase of merchandise and the distribution of the catalogue will be about two months, although most orders will be placed at a greater interval ahead to permit manufacturing operations to be undertaken.

Success of this new method of introducing modern speed into the mail order business will not be judged by Simpson's officials on the basis of the coming year's results. Purchasing power and particularly rural purchasing power in Western Canada is decidedly subnormal at the moment and will not permit a real test of the plan to be made, this year. But the plan will, Simpson's officials aver, justify itself this year in permitting more economical cataloguing, permitting more timely offerings during a period of careful scrutiny of all family purchases, and also in one other important direction. It will greatly reduce mail order inventories not only because the range of items carried will be smaller but because the shorter life of the catalogue will mean quicker turnover of all seasonable and specialty merchandise.

Some economies are expected also from the fact that the new policy involves concentration of purchasing power under one group of buyers, instead of two as formerly.

While it was anticipated that the new catalogue would contain magazine features and a certain amount of independent advertising, paid for by outside firms, neither of these is to be found in the August-September number. Officials of the company are non-committal on their policy in this regard but it is understood that both of these features will appear in subsequent issues. However, the desire is not to turn the catalogue into a direct money-maker or even to reduce the cost of cataloguing through the sale of advertising. If and when advertising is sold the revenue will be used to broaden the entertainment and instruction features of whatever magazine section may be included.

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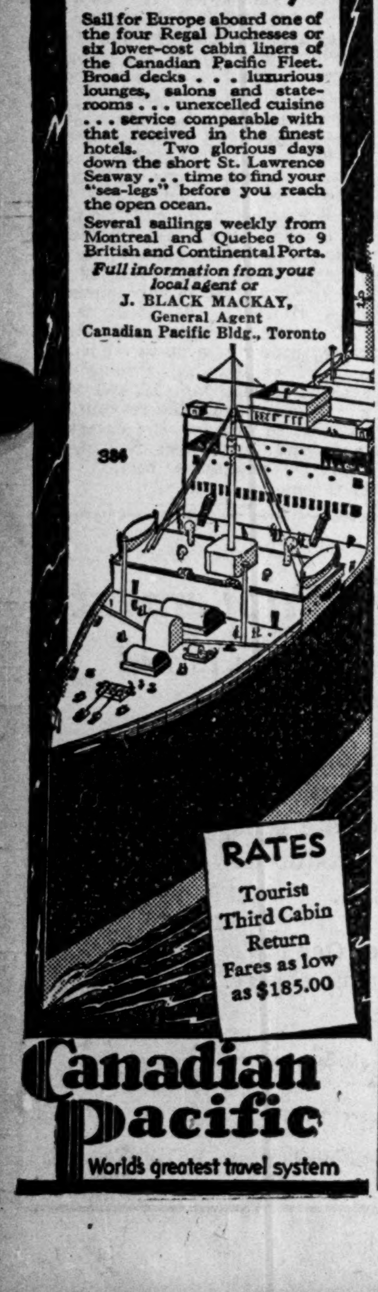

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CHECO EARNINGS REFLECT HIGHER POWER OUTPUT

May Dividends on First Preferred Covered 2½ Times

From Our Own Correspondent

MONTREAL.—Consolidated net revenue of Canadian Hydro-Electric Corp. and subsidiary companies, including Gatineau Power, in May, after all charges including depreciation, and available for dividends, was $160,168. This compares with $155,239 on the same basis in May of last year.

Earnings for May, 1931, were equivalent to over two and one-half times that month's dividend requirements on the corporation's first preferred stock.

Monthly Gross Higher

During the month gross revenue, including other income, totalled $753,184, an increase of approximately $49,000 over the same month last year. After providing for interest and depreciation, the balance of $160,168 was applied to dividends on Canadian Hydro-Electric first preferred stock, leaving a surplus of $97,668. This is approximately $5,000 larger than that reported for May, 1930.

Comparative figures of the income account for May 1931 and May 1930, follow:

	1931 $	1930 $
Gross rev. (inc. other income)	753,184	704,513
Net before int. & depr.	648,115	600,461
Bal. for div. after int. and depr.	160,168	155,239
Div. on Can. Hydro-Electric Corp., 1st preferred	62,500	62,500
Net added to surplus	97,668	92,738

Twelve Months Figures

For the twelve months ended May 31 last net revenue of Canadian Hydro-Electric Corp. and subsidiary companies, available for dividends, was $2,051,855, or $16.41 a share on the first preferred stock. This compares with $1,385,868, or $11.09 a share in the year ended May 31, 1930.

In the following comparative income account for the twelve months ended May 31, 1931, and 1930, it will be noted the gross revenue reflects the larger deliveries to the Ontario Hydro-Electric Power Commission. At the same time interest charges and depreciation have increased, but the balance available for dividends was higher. The net added to surplus for the twelve months past was $1,301,855 against $635,868 in the preceding twelve months' period.

	12 mos. end. May 31 1931 $	1930 $
Gross rev. (inc. other income)	8,783,700	7,625,168
Net before int. & dep.	7,458,310	6,386,854
Bal. for divs. after int. and depr.	2,051,855	1,385,868
Divs. on Can. Hydro-Elec. Corp., 1st pfd.	750,000	750,000
Net added to surplus	1,301,855	635,868

Output Gains 2 Per Cent

Output of electric energy of Canadian Hydro-Electric Corp. in the first five months of this year was 1,030,186,000 k.w.h., over 2 per cent greater than its output in the corresponding period of last year.

For the twelve months ended May 31, output was 2,556,529,000 k.w.h., an increase of 12 per cent over that for the preceding twelve months.

MONTREAL POWER OFFERS $200,000 LACHINE SYSTEM

Final Firm Bid Stands Until September This Year

From Our Own Correspondent

MONTREAL.—Montreal Light, Heat and Power Cons. has made an offer of $200,000 for the entire electricity distribution system of Lachine. The offer is said to be final and a decision one way or another is expected by September.

If the deal goes through, Lachine consumers will benefit in their light bills. Rates will be lowered to conform with the usual charges of Montreal Power which are approximately 3 cents a kw.h. Present charges in Lachine for power are 4.75 cents a kw.h.

Culminates Negotiations

Montreal Power's offer to Lachine culminates negotiations which have been proceeding since late in 1930. City officials and agents of the company have made complete valuations of the property which was appraised at $100,000, less depreciation, by the utility company.

An offer of $150,000 was made, but following further negotiations the recent offer of $200,000 for the entire system was submitted. If the transaction is completed, Montreal Power will become the sole owner of the Lachine installation save for equipment in regard to lamps, lamp posts and underground conduits.

Seeks Verdun System

Montreal Power has extended the scope of its activities materially in recent years. Various properties have been acquired on the island of Montreal; at the present time negotiations are being carried on with the city of Verdun with a view to acquiring the distribution system.

The civic council of Verdun has approved the sale of the system to the company for $300,000 to become effective as soon as approval is given by the taxpayers and the Metropolitan Commission.

Haydon Given Appointment With Financial Founders

From Our Own Correspondent

MONTREAL.—H. H. Haydon, president of the investment banking firm of Haydon, and Co., has been appointed provincial manager for Quebec and the Maritime provinces of Canadian Financial Founders Ltd. Mr. Haydon was formerly a director and treasurer of Aldred and Co.

Canadian Financial Founders is distributing througout Canada, Diversified Trustee Shares, series "C" through the medium of a savings investment plan, combining insurance protection with other investment features.

Maritime Telegraph Rights Are Popular

From Our Own Correspondent

MONTREAL.—The offer of rights to shareholders of Maritime Telegraph and Telephone Co. has met with a good reception; if all shareholders avail themselves to the privilege to purchase new stock at $9.80 a share, on the basis of one for five, the company should raise about $815,000 of new money.

The rights are presently quoted around 90 cents for sellers and $1.05 bid in over-the-counter trading. The last offer of rights made to shareholders was in November, 1929, when stock was sold at $10, or par, on a similar basis as the present offering.

The last balance sheet of Martime Telegraph and Telephone showed bank loans of $350,366 and an excess of current liabilities over current assets of $256,466.

NEW RATES BRING MATERIAL RELIEF TO 'PEG ELECTRIC

President Anderson Comments on Revised Fare Schedule

From Our Own Correspondent

MONTREAL.—Decision of the Manitoba Public Utilities Commission in awarding increased fares to Winnipeg Electric Co., will afford the company substantial relief, according to Edward Anderson, K.C., president of the company. It is anticipated that the new tariff will provide the company with an increased revenue of $156,000 a year, which should go a long way toward putting this utility on a sounder basis.

In commenting upon the Commission's decision to increase the tramway fares, which become effective as from August 1, Edward Anderson had the following to say:

"The increased revenue will give us very substantial relief indeed, and materially assist our earnings, which, of course, will be reflected in our balance sheets.

Hoped For Higher Fares

"We had hoped for an award giving us even higher fares, but I can understand that in view of present economic conditions the commission might not feel justified in giving full relief to which the company is entitled. The fares prescribed are not very much different from those att present in force. The cash fare remains the same and so does the ticket fare of two for 15 cents. The commission has wisely done away with the cumbersome permit at present being used, and has substituted in its place a simpler one. We had hoped the commission would see fit to put in effect a weekly pass, which has many things to recommend it, one of which is that it facilitates the movement of passengers and generally has the effect of speeding up the service.

"The portion of the report dealing with percentage charges and paving taxes fully justifies the position which I have been taking for some time with the city council, that these are unfair charges, an excessive burden on the car rider, and should be abrogated.

"I would like at this time to indicate that the utility commission is in thorough accord with my position, that the unfair taxes complained of should be discontinued. The only reason why the commission did not itself give a ruling on this point was that it was beyond its jurisdiction. This is clearly stated in the full text of the judgment.

"We can scarcely press at the moment for immediate cancellation of these charges, but we are hoping that the city itself will give us the relief to which we are entitled just as soon as business conditions warrant."

New Fare Schedule

The order issued by the Board established the following arrangement: Fares in the city zone, effective August 3, cash fares, 10 cents, two tickets, 15 cents; weekly permit of 25 cents entitles holder to unlimited number of rides at 5 cents a ride. It is expected that this will give an average fare of 7 cents.

The two principal points in the company's application to the Board, however, were untouched. Winnipeg Electric Co. sought abolition of the special 5 per cent civic tax on gross earnings which it presently pays, together with the elimination of paving charges.

The Municipal and Public Utility Board ruled that these were contractual obligations over which it had no control.

Fort William Building Activity

Home building in Fort William for the first six months of this year was practically on a par with the corresponding period of 1930. Thirty-six new dwellings were constructed this year at an estimated cost of $96,100, while during the same period of 1930, 36 dwellings were constructed to the value of $97,700.

Public Utility Earnings

Can. Hydro-Electric Corp.

May	1931 $	1930 $
Gross revenue	753,184	704,513
Net before int. & depr.	648,115	600,461
Bal. for divds. after int. & deprec.	160,168	155,239
Divds. on Can. H.-E. 1st pfd.	62,500	62,500
Net added to surplus	97,668	92,738
12 mos. end. May 31		
Gross revenue	8,783,700	7,625,168
Net before int. & depr.	7,458,310	6,386,851
Bal. for divds. after int. & deprec.	2,051,855	1,385,868
Divds. on Can. H.-E. 1st pfd.	750,000	750,000
Net added to surplus	1,301,855	635,868

Winnipeg Electric

May:	1930 $	1931 $	Decr. $
Gross earn. ..	509,709	464,072	45,637
Working exp..	335,513	315,160	20,353
Net earn.	174,196	148,912	25,284
Aggre. gross from 1st Jan. to end of May	2,793,546	2,519,133	274,413
Aggre. net from 1st Jan. to end of May	979,798	853,966	125,832

Can. Western Natural Gas Light

	1930 $	1931 $	Decr. $
January	362,736	262,102	100,634
February	281,453	226,842	54,611
March	237,024	232,102	4,922
April	177,978	214,889	*36,911
May	127,595	124,260	3,335
Aggre. from 1st Jan. to May 31	1,186,786	1,060,195	126,591

*Increase.

INCOME TAX HITS MONT. TELEGRAPH DIVIDEND CHEQUE

Payments Are Reduced Slightly by New Budget

From Our Own Correspondent

MONTREAL.—A reflection of the new 10 per cent corporation income tax, which was raised from 8 per cent in the last budget, is seen in dividend cheques of Montreal Telegraph Co. for the second quarter of 1931.

Dividends on the $40 par value shares of the company are paid at the rate of 8 per cent less government income tax. Under the old income tax each quarterly payment was 80 cents less 6.4 cents tax, or a total of 73.6 cents a share. With the new 10 per cent income tax, dividends are now paid at the rate of 80 cents less 8 cents, or 72 cents a share.

Draw on Contingent Fund

It is understood that the new tax, which is retroactive as to last year, has been taken care of for 1930 from the company's contingent fund which at December 31, 1930, totalled $50,036. Payment of the new tax in the first quarter of this year has also been made from this fund.

Montreal Telegraph Co. does not publish an income account. The company receives annually from the Great North Western Telegraph Co. the sum of $165,000 from which dividends are paid at the rate of 8 per cent, less income tax, on the company's capital of $2,000,000.

Operates Large Property

Montreal Telegraph Co. operates under a perpetual franchise about 22,000 miles of wire. It is operated and maintained by Great North Western Telegraph Co. of Canada which has been part of the present Canadian National Telegraphs System since 1921.

The territory served is chiefly the provinces of Ontario and Quebec together with parts of Nova Scotia, New Brunswick, Northern New York, Vermont, Maine, New Hampshire and Michigan.

The shares are listed on the Montreal Stock Exchange but seldom appear in trading. The high for the current year was 52 and the low was 48.

PLANT ACTIVITY OF BRUCK SILK AT HIGH LEVEL

Operations at Cowansville Conducted at Capacity

From Our Own Correspondent

MONTREAL.—Plants of Bruck Silk Mills are operating at capacity though low prices leave but a narrow margin of profit on output. The company is nearing the close of the third quarter of its current fiscal year which ends October 31; no figures on earnings to date have been released.

There are several factors in the present situation which indicate that the company will enjoy a better year than last. During the period ended October 31, 1930, Bruck Silk was faced with a drastic decline in the raw silk market, while production was hampered when the management switched from the manufacture of real silk to the artificial product.

Readjusted Operations

The latter move was necessary owing to the increasing demand, then apparent, for artificial silk. While a complete readjustment of manufacturing operations had to be made the company is now in the improved position of being able to produce both artificial as well as real silk and can switch its output according to the dictates of the market.

No further changes in plant or equipment have been made during the current year; at the present time output largely comprises real silk goods. Bruck Silk specializes in what is known as loaded silk involving a process whereby lower grades of silk are built up chemically to resemble high grade silk. A wide market for this material has been developed.

Deficit Last Year

Owing to the changes in fortune which attended operations last year, earnings of Bruck Silk dropped from $395,260 in 1929 to $62,742 in the last fiscal period. After payment of all charges including dividends, now discontinued, there was a deficit of $109,045 for the twelve months. In the previous year profits had equalled $2.80 a share on the 100,000 shares of no par common stock outstanding.

The stock, which is listed on the Montreal Stock Exchange is presently traded around 7 as compared with a low for the year of 4½ and a high of 8.

ELECTRIC RATES CUT BY QUEBEC POWER

Forecast Substantial Saving to Customers in Territory

From Our Own Correspondent

MONTREAL.—Residential and commercial rates of Quebec Power Co. have been reduced by approximately one cent a kilowatt hour, and it has been estimated that customers will save over $200,000 each year as a result of the new schedule of rates which went into effect July 15.

The domestic rate will comprise a monthly service charge, less discount for prompt payment, plus a sliding scale that decreases as consumption increases.

Commercial rates will be made up of a monthly service charge for each kw.h. of maximum demand each month, with a sliding scale similarly based on consumption. Domestic reductions include all services used in the home and measured by one meter, with a nominal charge being made for a second meter.

Over the last five years rates have been reduced on three occasions, the present one being the fourth.

Non-Metallic Output Lower

Manufactures of the non-metallic minerals in Canada during 1930 were valued at $216,043,078, a decline of $26,000,000 from the year 1929 but higher than the output from this group of industry in any other year.

Sugar Refiners Benefit By Increased Prices

From Our Own Correspondent

MONTREAL.—Shareholders of Atlantic Sugar Refineries and Acadia Sugar Refining Co. are encouraged by the news that these companies, in common with other Canadian refiners, have increased their prices by 10 cents per 100 lbs. This increase, which went into effect recently, is the first to be recorded since 1929; since that date prices for refined sugar have shown a steady decline.

Present values of refined sugar are $4.80 a 100 lbs. but are still below pre-war prices when sugar was sold for $1 for a bag of 20 lbs. World-wide overproduction of raw sugar has been the cause of lower prices in recent years; a firmer raw sugar market has resulted from the Chadbourne agreement.

This agreement was signed in April 1931, and contains the signatures of seven of the leading sugar exporting countries, including Cuba. It seeks to achieve a gradual limitation of sugar exports with export quotas of each nation increasing as sugar prices strengthen.

Government statistics indicate an improvement in the manufacture and shipment of refined sugar during the current year. Stocks on hand at the end of the first quarter of this year showed a sharp decrease while production showed but a small decline; shipments accordingly were up about 15,000,000 lbs. in the same period.

WITHDRAW PLEA TO PROBE AFFAIRS OF P. LYALL CO.

Shareholders' Committee Will Present Amended Petition

From Our Own Correspondent

MONTREAL.—The Shareholders Protective Committee of P. Lyall & Sons Construction Co. has withdrawn its petition before the Superior Court seeking an investigation of the company prior to its bankruptcy and an examination of directors. The petition asked that costs of such an investigation be borne by the liquidator of the estate.

It is understood, however, that the committee is working on another petition which will be presented in the future. Several amendments will be made to the original proposal but the committee has not abandoned its efforts to recover money for shareholders.

Shares of P. Lyall Construction shrank rapidly from 50 at which price they were selling on the Montreal Stock Exchange in May, 1929, until the company was adjudged bankrupt in September of the same year.

Further Progress Made

Further progress has been made in liquidation of the estate of P. Lyall Construction, though publication of a financial statement must wait, it is understood, a settlement of the company's claims against the Federal Government. These claims total approximately $1,200,000 and embody a dispute regarding work done on the Welland Canal.

All contracts have now been completed with the exception of the present Welland Canal contract which is not expected to be finished for another year at least. The Customs Building in Toronto, the most recently completed job, was executed at a profit, while it is understood that no money has been lost on the Terminals contract in Toronto. Payment for both these jobs is pending.

Sells Some Equipment

Another step in the winding up of the company is the sale of some equipment which has been used on the Welland Canal. The greater part of this has been disposed of; and the situation which has surrounded P. Lyall is gradually being clarified.

When payment for completed contracts is finally made further delay may be anticipated due to the involved situation as regards secured and unsecured creditors. As far as actual construction work is concerned, however, the company now has the greater part behind it.

STAN. STATISTICS PICKS 10 STOCKS FOR CANADIANS

But Business Improvement Thought to be Still Delayed

Continued readjustment of business conditions in Canada during the remainder of the year, with gradual improvement in the latter months under the influence of slowly rising raw material prices, is seen by Standard Statistics Company, New York, in a 12-page analysis of the outlook for business in this country. There is evidence, says the report, that the halt in Canada's progress toward new high levels is only temporary; that the growth factors again will become strongly apparent in the not too distant future.

For the latter half of 1931 the outlook is said to be clouded by the probability that inherent inequalities in many divisions of industry must be adjusted. The paper and pulp trade has been highly overextended, thinks this observer, and the repercussions of reorganization are likely to retard revival of general business. Decidedly unsatisfactory crop conditions in the Western provinces will reduce aggregate farm purchasing power despite the favorable mixed farming outlets in other portions of the Dominion.

Picks Ten Stocks

Standard Statistics picks ten Canadian stocks which it believes have fully discounted the influences of depression in their respective industries, and consequently should be among the first to reflect any definite improvement. Four of these are mines, namely International Nickel, Lake Shore, McIntyre Porcupine and Teck-Hughes. The other are B. C. Power, class A stock; Dominion Stores; National Breweries; Page-Hersey Tubes; Power Corp.; and Shawinigan Water and Power Company.

Comments on Canadian securities are as follows:

"With full regard for the potentialities for long term growth of the Dominion's industries, we believe that it is still too early to indulge in broadscale purchases of Canadian equities. Liquidation, however, has continued at a severe pace since we last counselled that near term commitments be avoided, and many security groups are selling at from 25 per cent to 35 per cent of their 1929 highs.

"While, therefore, the outlook for most Canadian industries does not furnish evidence of a near term resumption of normal activity, and earnings reports of the majority of companies for the full year 1931 undoubtedly will make unsatisfactory reading, it is our opinion that certain issues quoted above have rather fully discounted the influences of depression on their respective industries, and consequently, should be among the first to reflect any definite improvement. We believe that these stocks possess sufficient possibilities of price appreciation over, say, the next 12 months, to warrant their inclusion in well rounded portfolios; purchases for that purpose particularly are recommended during periods of general market weakness.

Others Also Mentioned

"The inherent characteristics making for continued long time growth of the Dominion justify the inclusion of many other sound issues for holding over a term of years, and we add herewith another list, the purchases of which we would favor either on further sizable price declines or concrete evidence of business improvement. Such stocks include British-American Oil, Consolidated Mining, Dominion Bridge, Ford Motor, Imperial Oil, Montreal Light, Heat and Power and Steel Co. of Canada.

"For purely income purposes, we favor retention, or moderate purchases on weakness, of Bell Telephone and Montreal Tramways."

Bond Value Table for Conversion Loan Bonds

We have prepared a special Bond Value Table to permit of the ready calculation of yields from Dominion of Canada Conversion Loan Bonds at various prices. These cannot be valued with the usual bond value table.

We have a limited supply of these Tables and, while available, copy will be gladly forwarded to those who have occasion to calculate such yields from time to time.

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg
Vancouver New York London, Eng.

Dairy Produce Stocks Much Below Average

Dairy produce, comprising butter, cheese, eggs, poultry and pork, in cold storage, in various parts of Canada, as at July 1, was but 53 per cent of the 5-year average as at the same date while fresh and cured meats were about 91 per cent.

Among the individual items, butter in cold storage amounted to 20,664,166 lbs. of creamery and 267,925 lbs. of dairy, at which they show respective decreases of 6.9 per cent and 56.6 per cent from the quantities held a year ago, though both are substantially higher than the five-year average for this date.

Cheese stocks were 20.6 per cent heavier than at the same date last year, and about 6 per cent over the average amount on hand over the past five years.

Stocks of cold storage eggs were down at 13,877,142 doz., which is 5.8 per cent below last year and 6.6 below the 5-year average, while frozen eggs were 25.6 per cent higher than in 1930 and nearly 96 per cent above the 5-year average. Stocks of fresh eggs were 26 per cent heavier than last year and 29 per cent over the average for the last 5-years.

Poultry of all classes was also held in lighter volume, the 1,811,327 lbs. at July 1 being almost 65 per cent below the amount a year ago and nearly 47 per cent under the five-year average for that date.

Bond Sales Show Increase

Canadian bond sales for the half year of 1931 amount to $963,556,707, according to the summary of A. E. Ames & Co., that figure comparing with $373,293,819 for the similar six months' period of 1930 and with $344,165,229 for that of 1929. Purchases in Canada made up a total of $855,271,707; in the United States, $104,185,000 and in Great Britain, $4,100,000.

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LARDER LAKE
ENGLEHART
ELK LAKE
EARLTON
GOWGANDA
NEW LISKEARD
HAILEYBURY
NORTH COBALT
COBALT
SILVER CENTRE

Gross Earnings	
1926 ..	$2,562,185
1927 ..	2,812,514
1928 ..	3,088,529
1929 ..	3,116,597
1930 ..	3,181,504

Operating nine hydro-electric power plants of 114,000 h.p. installed capacity in a territory embracing approximately 25,000 square miles, Canada Northern Power Corporation serves 10,377 customers exclusively with electric light and power.

Power output has increased over 69% and number of customers served over 38% in five years.

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CANADA NORTHERN POWER CORPORATION LIMITED
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News of Investment Markets

PASS INTEREST ON DEBENTURES OF C. N. R. LINE

Investors Can Foreclose on Toronto Suburban Railway

NOT GUARANTEED

Stock Listed in London is Now Quoted Around 25 Bid—Recently Sold at 50

Interest on the 4½ per cent first mortgage debenture stock of Toronto Suburban Railway Co. which was due on July 15 remains unpaid and represents the first default to be made on any of the companies taken over by the Canadian National Railways. Operated under the name of Canadian National Electric Railways the road is believed to have shown steadily decreasing earnings and to have been operated at a loss for some time.

The debenture stock is outstanding to the extent of $2,628,000 and is due July 15, 1961, having been issued in 1911. The security is not guaranteed by the Canadian National Railways but are a first charge on the line of the Toronto Suburban Railway Co. which operates between Toronto and Guelph. The stock is listed in London, Eng., but has not had an active market. Some sales were made a month or two ago at around 50 but the current bid price is 25 with 29⅛ asked.

The default by the company is co-incident with measures of economy being instituted by the Canadian National Railways and opens to question the policy to be followed by the national line on interest payments on some $242,000,000 of funded debt, secured by subsidiary lines but which is not guaranted by either the Dominion or any of the provinces. There is reason to believe that a number of these lines are not on a paying basis and if the lines do not have a certain strategic value there might be some possibility of further defaults.

Apparently the C. N. R. will place no obstacle in the way of the Toronto Suburban Railway Co. debenture holders re-possessing the property. An operating official of the railway is quoted as stating that no advices have been received from Montreal as to closing down the road. The full effect of the default has yet to be ascertained.

British Empire Trust Co., trustees for the debenture stock has notified debenture holders that they have been notified by the Canadian National Electric Railways that they are unable to provide the interest due on July 15. The trust company states that the position is being investigated and a further communication will be made to debenture holders in due course.

The Canadian National Electric Railways was formed in November, 1923, through the amalgamation of Toronto Suburban Railway Co. with Toronto Eastern Railway Co. This company controls 49.06 miles of electric line. There is $1,750,000 of capital stock outstanding, all of which is owned by the C. N. R.

Montreal Exhibition Revenue Slightly Lower

From Our Own Correspondent

MONTREAL. — Revenue of Montreal Exhibition Co. to date show a decrease of about $3,000 as compared with this time last year. The company, in addition to owning the Stadium building in Montreal operates a baseball team playing in the international league.

As at August 1, 1930, the company had a net profit of $13,949 but adverse weather conditions in the latter part of the season turned this into a deficit of $3,672 by the end of the year. The company does not publish a balance sheet or profit and loss account.

The Montreal Baseball Club is leaving for an extended schedule of ou-of-town games; a statement of receipts to August 1 may be expected in the near future.

W. C. Pitfield and Co. Name New Saint John Manager

From Our Own Correspondent

MONTREAL.—W. C. Pitfield & Co., announce the appointment of Lt.-Col. H. G. Wood, as manager of their Saint John office. He will also act in similar capacity for Pitfield Scott & Co., members of the Montreal Stock Exchange and the Montreal Curb Market.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
B.C. Telephone	4½%	1962	†Nov. 1	105
Cascade Water Power	4½%	1940	†May 1/32	100
West Kootenay Pr.	6%	1940	Sept. 1	110
St. Lawrence Pwr.	*6%	1935	Aug. 1	105
Steel Co. of Canada	6%	1940	Aug. 1	‡
Foreign Issues—				
Kingd. of Denmark	*5%	1955	Aug. 1	100
Kingd. of Denmark	5½%	1955	Aug. 1	100
Kingd. of Norway	*5%	1967	Dec. 1	100
Kingd. of Norway	*6%	1944	Aug. 1	100
Greek Govt.	*6%	1968	Aug. 1	100
Argentine Republic	4½%	1934	Oct. 1	100

*Called in part.
†Or before.
‡Tenders asked by trustee.

ROSEDALE HOUSING POSITION DIFFICULT

More Funds Required to Protect Security Underlying Bonds

Information given to The Financial Post concerning the present state of affairs of The Rosedale Syndicate and the Rosedale Housing Co., Ltd., do not point to an early and satisfactory conclusion for either members of the syndicate or holders of the 20-year sinking fund participating gold bonds of the incorporated company. Both these concerns were sponsored by W. N. McEachren & Sons, Ltd., Toronto, now in receivership.

A meeting of the bondholders of the incorporated company has been held and a bondholders' committee formed, the members of which are W. W. McLaughlin, chairman; G. C. Dobson, D. W. Mackenzie, W. Tanner and R. F. Truen. A meeting of the committee is to be held shortly to discuss the advisability of asking the bondholders to contribute additional funds whereby the properties may be cleared of existing mortgages. It is felt by the committee that this is the only way to ensure the underlying equities of the bondholders.

The Rosedale Syndicate was formed in 1923 with a capitalization of $250,000, divided into 250 units, to purchase and develop the property known as Governor's Manor, in north Rosedale, Toronto. After partly developing the property and erecting several homes, which were mortgaged on completion, operations waned considerably. Evidently unsatisfactory progress in either renting or selling the houses led the sponsors to form a new company to continue development.

The Rosedale Housing Co., Ltd., was then incorporated, and $250,000, 6½ per cent 20-year sinking fund participating gold bond issue floated, dated January, 1927. This company went ahead and bought property from The Rosedale Syndicate, continuing the development, building houses, mortgaging them, and attempting to sell them. The company also purchased 12 houses in east Toronto, from another syndicate, also sponsored by W. N. McEachren & Sons, Ltd. It is understood that these houses are also subject to first mortgages.

In consequence of general conditions the company could not meet the full semi-annual interest requirements on its bond issue due January 15, 1931, and also defaulted in the first payment in the creation of a sinking fund due in January, this year. Interest due on July 15 has also been passed.

Niagara Wire Profits Maintained to Date

From Our Own Correspondent

MONTREAL.—Earnings of Niagara Wire Weaving Co. in the first quarter of the fiscal year which began April 1 are reported to have been sufficient to cover both dividend requirements on both preferred and common stocks. A disbursement of 75 cents and 37½ cents a share is paid quarterly on the two respective classes of stock.

Operations of the company have been affected to some extent by conditions in the newsprint industry. Niagara Wire manufactures fine mesh wire screens used in Fourdrinier paper machines; the decline in newsprint production found reflection in earnings last year.

Profits amounted to $128,824, after depreciation as compared with $172,845 in the previous year; preferred share earnings were $5.86 against a $3 dividend and common share earnings were $1.57 as compared with a total disbursement of $1.50.

New Air Service Links Maritimes With Boston

From Our Own Correspondent

MONTREAL.—Beginning August 1, Pan-American Airways System, will inaugurate a tri-weekly international passenger air service between Boston and Halifax. Intermediate stops will be made at Portland, Bangor, Calais, Maine, and Saint John.

While the route involves operation through fog areas on the Atlantic seaboard, studies are being made effecting co-operation from the meteorological services of both Canada and the United States.

It is expected that the Pan-American Airways will work in close harmony with the system operated by Canadian Airways, Ltd.

Lucien Côté Offers Bonds of Malbaie Orphanage

From Our Own Correspondent

MONTREAL.—An offering of $25,000 of Orphelinat Apostolique de la Malbaie 5 per cent 20 year bonds is being offered by Lucien Côté, Inc., at par. Principal and interest on the bonds are guaranteed by the Quebec government.

The Orphelinat was found in 1917 and its administration lies in the hands of the Réverend Soeurs Antoiniennes de Marie. In addition to the Government guarantee on the bond issue, the securities constitute a first mortgage on certan property of the corporation having a value of approximately $40,000.

Fraser Companies Reopen Pulp Mill at Chatham

From Our Own Correspondent

MONTREAL. — The pulp mill of Fraser Companies at Chatham, N.B., closed for two months, has been reopened with a crew of about 150 workers. Activity was preceded by a plant overhaul.

The Chatham mill has a production capacity of 18,000 tons of unbleached sulphite pulp. A similar unit at Edmundston has an annual output of 12,000 tons.

Can. Northern Power Makes Record in June

From Our Own Correspondent

MONTREAL.—June output of Canada Northern Power Corp., subsidiary of Power Corp. of Canada, constituted a record for the company, totalling 35,297,330 kw.h. This was an increase of 19.6 per cent over the corresponding month in 1930 when the total was 29,485,910 kw.h.

Extension of gold mining activities in northern Ontario and northern Quebec has provided a substantial stimulus to the company's output. An interesting feature in this connection is the fact that the mines operate on a 24 hours a day basis, necessitating a high load-factor.

The number of customers served by the company has also increased, the total now exceeding 10,500.

Interlake Tissue Mills Install New Machinery

From Our Own Correspondent

MONTREAL. — Interlake Tissue Mills Co. has installed a new wet end to the No. 1 machine, which produces Interlake M. G. papers at its Merritton mill. This new wet end, which was built by Dominion Engineering Works, includes a special shake of improved design.

It is expected that the new equipment will result in an increased production of approximately 25 per cent.

Apple Crop Prospects Improve

In Nova Scotia the crop prospects are distinctly better than at this time last year. Hay and pasture have made excellent growth in most sections of Nova Scotia and field crops, although late, show real promise of high yields.

Bond Tenders

August 25. Municipality of Pointe Claire and Beaconsfield. $30,000, 5 per cent, 25-year, serial debentures. J. J. Hunter, sec.-treas.

July 27. Municipality of Notre Dame de la Dorée. $6,000, 5½ per cent, 10, 15 or 30-year debentures. L. Tremblay, sec.-treas.

July 24. Town of East Angus, Que. $105,000, 5 per cent bonds.
Bullion . 68,346 98,027 119,408

7 o'clock p.m., July 27, Port Colborne—$43,024, 5 per cent 10-year pavement bonds; $113,612, 5 per cent 15-year pavement bonds; $3,325 5 per cent 10-year lighting bonds. H. F. Johnston, clerk and treas.

1 o'clock p.m., July 25, County of Lennox and Addington—$44,500 and $15,000, 5 per cent 10-year serial road construction bonds, dated July 1, 1931. W. S. Wilson, county clerk, Napanee, Ont.

6 o'clock, August 25, Municipality of Pointe Claire and Beaconsfield, Quebec—$30,000, 5 per cent 25-year serial debentures, payable at Bank of Montreal, St. Peter and St. James Sts., Montreal. J. J. Hunter, sec.-treas.

10 o'clock a.m., July 27, Municipality of Notre Dame de la Doree, Quebec—$6,000, 5½ per cent, 10, 15 or 30-year waterworks debentures, dated June 1, 1931, payable at Bk. Can. Nationale, St. Felicien, Que., or Montreal. L. Tremblay, sec.-treas.

July 24, Town of East Angus, Que.—$105,000, 5 per cent bonds.

8 p.m., Aug. 3, Hull, Que.—$283,500 serial debentures dated November 1, 1930; due May 1, 1933, to November 1, 1970. Alternate bids asked on 4½ and 5 per cent coupon rate. Denominations in amounts specified by purchaser. Issued for purposes of waterworks, sidewalks, sewers, pavements, and equipment for departments of fire and light. H. Boulay, city clerk.

August 4, School Municipality of Town of Isle Maligne—$65,000, 5 per cent 25-year serial debentures. B. A. Walker, sec.-treas.

Saskatchewan authorizations granted by the Local Government Board from June 13 to July 10:

Schools:—Wolkowetz, No. 1730, $1,500; Burstall No. 4478, $2,000; Radiance No. 4891, $2,000; Tedford No. 1792, $800; Twamley No. 4255, $3,000; Fournmound No. 4911, $2,500; Roseview No. 795, $4,000; Norquay No. 1426, $6,500; Gronlid No. 4854, $700; Valiant No. 4638, $700; Logwood No. 4924, $1,500.

Bond Sales

SHAWINIGAN FALLS, QUE.

Dominion Securities Corp. and the Royal Bank have been awarded $490,500, 5 per cent, 40-year serial debentures of the city of Shawinigan Falls, Que., at 100.68; cost basis 4.96 per cent. Bids are reported as follows:

1. Dominion Securities Corp.; Royal Bank	100.68
2. A. E. Ames & Co.; Banque Canadienne Nationale; E. Savard Ltd.	99.318
3. Credit Anglo- Francais Ltd.; Geoffrion & Co.; Banque Provinciale du Canada	99.18
4. McLeod, Young, Weir & Co.	98.50

SUMMERSIDE, P.E.I.

Bank of Nova Scotia has been awarded $28,500, 5 per cent, 20-year sinking fund debentures of the town of Summerside, P.E.I., at 102.70, cost basis 4.78 per cent. Bids are reported as follows:

1. Bank of Nova Scotia	102.70
2. C. H. Burgess & Co.	102.53
3. Dominion Securities Corp.	102.38
4. Royal Bank of Canada	102.13
5. Eastern Securities Corp.	100.80

COTE ST. LUC, QUE.

Banque Canadienne Nationale has been awarded $20,000, 5½ per cent, 30-year serial debentures of Côte St. Luc, Que., at 99.07. Bids are reported as follows; and do not include interest accrued:

1. La Banque Canadienne Nationale	99.07
2. Dominion Securities Corp.	99.00
3. L. G. Beaubien & Co.	98.69

TRURO, N.S.

Acadia Trust Co. has been awarded $17,000, 4½ per cent, 30-year debentures of the town of Truro, N.S., at 99.50; cost basis 4.531 per cent. Bids are reported as follows:

1. Acadia Trust Co.	99.50
2. Dominion Securities Corp.	99.12
3. W. C. Pitfield & Co., Royal Bank	98.57

VILLAGE OF AYR, ONT.

Canadian Bank of Commerce has purchased $22,000, 5 per cent, 20 equal annual installment debentures of the village of Ayr, Ont., at a cost basis of 4.87 per cent.

SASKATCHEWAN

Schools—Nobleville No. 4894, $1,500, 10 years, 8 per cent, R. C. Beaton, Kelvington; Ranchland No. 4882, $4,000, 15 years, 7½ per cent, Waterman-Waterbury Mfg. Co.

Rural Telephone—Flett Springs R. T., $450, 10 years, 6 per cent, locally.

MERGER TERMS ARE FORWARDED BY C. G. I. TRUST

Four For One Exchange Basis Must Be Ratified

MEET AUGUST 6

Balance Sheet Indicates Value Placed on Unlisted Securities By Committee

The financial position of both the Canadian General Investment Trust Ltd. and Second Canadian General Investments Ltd. as at June 1, 1931, is shown in a letter being forwarded to shareholders of the former trust giving notice of a meeting to be held on August 6 to consider acquisition of the first trust by the second through an exchange of shares. The basis of exchange, previously announced in The Financial Post, is four shares of Second Canadian General Investments Ltd., for each share of Canadian General Investments Ltd. The second trust will increase its authorized capital from 400,000 to 1,000.000 shares of no par value and will change its name to Canadian General Investments.

No income and surplus account is given for the period, although it is stated that income of the first trust for the five months ended June 1, 1931, was $123,789, while for the second trust the income for the same period was $132,125. In both cases this income is before provision for management fees and for loss realized on securities sold.

Depreciation Higher

The balance sheet of Canadian General Investment Trust Ltd. as at June 1, 1931, shows some change in classification of securities held and some improvement in cash position. Depreciation on investments has naturally increased from the $3,304,716, reported on marketable investments alone, as at December 31, 1930. Due to the different classification of the investments as marketable or non-marketable at present, the exact increase in depreciation cannot be ascertained since at December 30 the unmarketable investments were merely carried at cost. It should be noted that as at June 1 security prices were at a point near the low of the year and that prices have since advanced to some extent. The latest statement shows that on securities which cost $10,165,647 there was an actual market or an estimated value of $5,546,170 and including a loss sustained on securities sold during June depreciation amounted to $5.739,364.

The assets of the first trust as at June 1, 1931, and at December 31, 1930, were as follows:

Assets as at June 1

	1931 $
Cash in bank	20,584
*Bonds and stocks, at cost	7,811,552
Less: Res. against losses on secs. sold in June, 1931	193,194
	7,618,359
†Other bonds and stocks not listed, at cost	2,354,095
Accrued int. & divds. declared	77,487
	10,049,940
Loan to Fourth Canadian General Invest. Trust Ltd.	185,006
	10,255,531

*Value, based on market quotations at June 1, 1931, was $4.408,953.

†Value, as placed by committee appointed by the directors, is $1,137,217.

Assets as at Dec. 31, 1930

	$
Cash in banks	7,114
‡Marketable invest. at cost	9,694,541
Other investments, for which market quotations are not available, at cost	1,146,003
Accr. int. and dividends	90,701
Loans to Fourth Canadian General Investment Trust Ltd.	185,694
	11,124,053

‡Value, based on market quotations as at December 31, 1930, was $6.391,825.

There has been a reduction in brokers' loans, secured, to $1,674,835 from $1,942,330 and in other loans, secured, to $575,000 from $825,000. Sundry items amount to $4,902; dividends payable July 1, to $49,615. Subscribed capital remains the same at 75,000 shares of $100 par value, but a slight increase is shown in the amount paid-up which totals $7,442,115. Surplus account, subject to depreciation in the value of investments, is carried at $509,064 as against $904,768 at December 31, 1930, indicating losses taken on sale of securities during the five months' period.

Second Trust Better

Securities held by the Second Canadian General Investments Ltd. at June 1, 1931, had a value, taken at cost, of $6,798,555 after provision for reserves amounting to $389,172. These securities were valued at $4,504,862 on June 1 so that depreciation from actual cost was $2,682,865 if reserves are not taken into consideration. As in the first trust, but to a lesser degree, there has been some re-alignment of securities in the portfolio and the total of bonds and stocks, not listed, has been increased since December last.

The assets of the Second Canadian General Investments Ltd. at June 1, 1931, and at December 31, 1930, were as follows:

Assets, as at

	June 1, 1931 $
Cash	18,007
Broker's account	1,114
Bonds and stocks, at cost*	5,907,730
Less: Profit from sale of invest. set aside as res. for the deprec. in market value	143,127
	5,764,603
Other bonds and stocks, not listed, at cost†	1,279,997
Less: Res. provided at Jan. 1, 1931	246,045
	1,033,952
Accr. int. and divds. declared	56,674
Loans to associated cos.	396,903
	7,271,253

*Value, based on market quotations, as at June 1, 1931, was $3,553,164.

†The committee appointed by the directors has placed a value on these securities of $951,698.

Assets at December 31

	1930 $
Cash in banks	39,788
Broker's account	301
Marketable invest. at cost*	6,247,936
Other invest. for which market quotations were not available, at cost	1,020,515
Less: Res. provided at Jan. 1, 1930	246,295
	774,220
Accr. int. and divds. to Dec. 1, 1930	67,558
Loans to associated cos.	439,187
	7,568,930

*Value, at market quotations on December 31, 1930, was $4,626,829.

Brokers loans, secured, show a reduction to $1,044,544 from $1,139,563 while dividends payable and provision for taxes, accrued expenses and unclaimed dividends amount to $23,043 as compared with the previous figure of $113.085. Amount unpaid on stock subscribed has been reduced to $162,711 from $163,473, the 312,484 subscribed shares of no par value allotted at $10, being carried at $2,962,129. Capital surplus, arising from the purchase of the assets of Second Canadian General Investment Trust Ltd. at January 1, 1930, is carried at $3,126,618 while the same item at December 31, 1930, was carried at $3,115,618. Surplus account, subject to depreciation in sale of investments, amounts to $38,451 against $82,852 at December 30.

TERMINAL EARNINGS SHOW SOME DECLINE

Can. Rail & Harbour Terminals Covers First Mortgage Bond Charges

Earnings of Canadian Rail & Harbor Terminals Ltd. appear to be sufficient to meet all requirements for the first mortgage bonds with some left over to be applied on the second mortgage bonds according to the bondholders' protective committee. Gross income for May is reported at approximately $50,605, as compared with $58,545 in May, 1930. Operating expenses were reduced to $26,332 as against $29,953 for May, 1930, and net earnings were $24,273 compared with $28,592 the year previous.

The letter sent to holders of the 7 per cent general mortgage bonds, due 1945, emphasizes the importance of bondholders depositing their bonds in order that the committee can take official action as representing this class of bondholder.

The committee's immediate problem, it is stated, is to protect the equity in the company's property, which is believed to be valuable, and to protect and secure as much of the income from the operation of the company as may be available to be applied on account of the interest upon the general mortgage bonds.

There are $2,000,000 of bonds outstanding, and interest was defaulted on June 1, 1931. Preceding this issue is $3,500,000 of 6½ per cent first mortgage bonds. A protective committee was formed consisting of O. W. Birckhead, chairman; Benjamin B. Burton, Richard Cullen, William Neely, J. E. Newlin and J. A. Ritchie, with C. W. Devoy, New York, as secretary.

Loblaw Groceterias June Profit is Down

Sales of Loblaw Groceterias Co. are reported at $1,128,168 for the four weeks ended June 27, the first four weeks of the current fiscal year. This compares with $1,332,661 reported for the corresponding period of 1930. Profit in June, 1931, was $70,856 as against $72,184 in June, 1930.

It is noted that while dollar volume of sales dropped off some 15.3 per cent profit dropped only 1.83 per cent. Decrease in sales is due to the drop in commodity prices and actual physical volume of business has increased during the past year although the dollar volume shows a drop.

Fraser Companies Appoint Director of Lumber Sales

From Our Own Correspondent

MONTREAL.—Hugh Mackay, resident director of W. C. Pitfield & Co. in Saint John, has accepted the appointment of director of lumber sales of Fraser Companies Ltd. Prior to joining the Pitfield organization, Mr. Mackay had long experience in the lumber trade. The new connection does not involve any changes in his association with W. C. Pitfield & Co.

Municipal Bond News

FOR over forty years this organization has been devoting its efforts exclusively to the publication of accurate State and municipal bond news. Not "flash" items or rumors, but carefully prepared news covering all the technical requirements of the municipal market have been responsible for its recognition as "The Authority on Municipal Bonds" It is, therefore, the logical medium for municipal bond sale advertising.

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567

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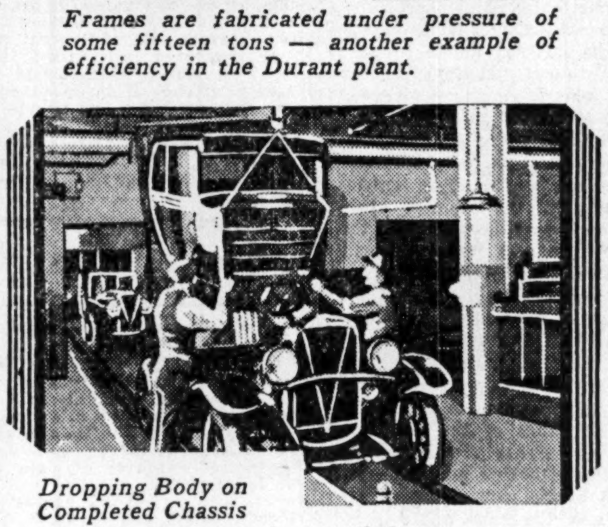

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(Division Dominion Motors, Limited)
TORONTO (Leaside) CANADA
A Canadian Company Controlled by Canadian Capital

DURANT and RUGBY
MOTOR CARS TRUCKS

5—2321

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1930-31 $	Net income 1929-30 $	Common share earnings 1931 $	Common share earnings 1930 $	Curr: divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Dominion Textile	Mar. 31	1,503,359	1,772,266	5.06	6.06	5.00	7,515,552	7,498,035	70	14	7.14
Niagara Wire Mfg.	Mar. 31	*128,824	†168,838	1.57	2.45	1.50	18,459	21,538	11 (May	(7)	(13.6)
Port Hope Sanitary	Dec. 31	‡80,906	176,375	2.12	4.62	‡2.12½	342,927	342,635	..	..	..

*Includes income from investments.
†After adjustment of securities to market value and additional appropriations for stock purchase fund.
‡For 11 months period only.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Summerside, P.E.I.	July	Bank of Nova Scotia	5%	20-yr.	28,500	102.70	4.78%
Shawinigan Falls, Que.	July	Dominion Securities Corp., Royal Bank	5%	30-yr.	150,000	100.68	4.96%
			5%	40-ser.	200,000		
			5%	40-ser.	130,000		
			5%	serial	10,500		
Ayr, Ont., Village of		Canadian Bank of Commerce	5%	20-ins.	22,000	....	4.87%
Cote St. Luc, Que.	July	Banque Canadienne Nationale	5½%	30-ser.	20,000	99.07	.....
Truro, N.S.	July	Acadia Trust Co.	4½%	30-yr.	17,000	99.50	4.53%
Saskatchewan Schools and Telephones		Miscellaneous	....	....	5,950	....	.....
Provincial—							
Manitoba	July	Wood, Gundy & Co., A. E. Ames & Co.	4½%	1941	$2,500,000	....	4.80%
		Dominion Securities Corp., Royal Bank	4½%	1951	2,500,000	....	4.83%
Orphelinat Apostolique de la Malbaie, Quebec (gtd.)	July 14	Lucien Cote Inc.	5%	20-ser.	25,000	100.00	5.0%

THE FINANCIAL POST

Member Audit Bureau of Circulations

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TORONTO, JULY 25, 1931

INCOME TAX PRESSES FOR CHANGE

WHEN he introduced and then abolished all the amendments he had planned in the personal income tax rates, Prime Minister Bennett showed how great is his need for the assistance and advice of a capable minister of finance. The prime minister frankly admits that insufficient study was given to his proposed income tax changes. He has not abandoned them but merely turned them over to his as yet unappointed minister of finance for consideration. No doubt they will be altered before they again come before Parliament and they do indeed require some further revision. This does not mean that the coming into force of any changes that may finally be adopted will be delayed. The proposed changes were to affect 1931 incomes only; Parliament will probably meet earlier next year and the budget speech will no doubt come in March. Income tax changes will still apply to 1931 incomes.

It is doubtful if Mr. Bennett conveyed his real views on the income tax in his statement the other day. It is capable of misinterpretation. The prime minister doubtless feels that there should be a scaling down of the upper levels of income taxation. He was probably surprised himself to discover that, while his proposed new schedule reduced the income tax on very wealthy individuals, it increased the rates on the great mass of hard-working business men who are contributing employment and profit to the prosperity of the country. The real weakness of the changes was not that it relieved a few very wealthy investors of some of their income tax burden but that it added seriously to the burden of those who are the most potent factors in Canadian economic advancement, men with surplus money to invest and creative genius to turn to account.

Reduction of income tax for any one drawing more than a workingman's wage or a dirt farmer's average income is extremely unpopular, among certain classes of the Canadian public. In the comments following the prime minister's announcement there was ample evidence that some members of Parliament are not averse to turning the income tax into a text for cheap political speeches. "Soak the rich" is still the tune played in numerous vote-catching utterances.

The blind and short-sighted futility of such a plea is obvious to every economist. When too high a percentage of the rewards of creative effort are taken in the form of direct taxation incentive is stifled. Out of personal effort and the profit incentive back of it grow development and employment. High income tax schedules drive capital out of business and speculative investments and into tax-free or safety first investments that represent the minimum of new creative effort.

Too many people feel that the man on the street benefits when the wealthy man is heavily taxed. They fail to realize that the possible expenditures even of a wealthy man are limited; that what really interests the public is the amount of money the man of large income has left over each year from his income. This money can be invested to create many jobs or to create few jobs. The tax policy of the government has much to do with determining the use to which the money will be put. The country as a whole and the man on the street lose when excessive taxation diverts a large portion of the money into the public treasury and away from new factories, new mines, new utilities and other enterprises.

Soaking the rich lengthens bread lines. It is to be hoped that when Mr. Bennett's new minister of finance gets into this question of income tax adjustment he will give due consideration to these facts and not be swept away by short-sighted carriers of uninformed public opinion.

"THERE OUGHT TO BE A LAW" COSTS MONEY

RECENTLY at the annual meeting of the Canadian Manufacturers' Association, W. S. Morden, K.C., chairman of the legislative committee, pointed out that the number of parliamentary bills introduced in Canada this year was 1,182. And even this included only those of the Federal parliament that had been introduced up to the time he spoke. The number no doubt is well over 1,200 by now. Canada, with a population about equivalent to that of Greater New York or Greater London, has ten legislative bodies, Mr. Morden pointed out. It is a real handicap to Canada that there should be so many governmental bodies. It makes it difficult for manufacturers and other business organizations doing trade on a national scale to keep up with all the new taxation and all the new rules and regulations established by legislation. Mr. Morden gave a hint of what might give partial relief when he pointed out that in the United States some of the State legislatures now meet only every two years.

Practically every new act put on the statute books of one of the federal or provincial governments represents a new way to spend money. Mounting legislation means mounting governmental costs and these in turn mean increased costs of doing business. Most legislation is the result of a demand by some group in the body politics. Most of us have the habit of dismissing problems that arise by saying "There ought to be a law." It is this habit that is chiefly responsible for the rising burden of taxes throughout the country.

POLICY LAID DOWN FOR C. N. R.

THE report of the special Parliamentary committee that studied the position of the Canadian National Railways should have a useful effect. It will strengthen the hands of the government in attempting to curb excessive expansion and capital expenditure on the government railway and it will give the lead to Sir Henry Thornton and his board of directors in their operation of the company. One cannot entirely blame Sir Henry Thornton for the colossal capital expenditures that have been made on the railway, and that have prevented it from becoming a decreasing burden upon the taxpayer. In and out of Parliament, the last ten years have seen continuous demands for new lines and new services, and the Canadian National executives would have been less than human if they had not given the public what it seemed to want. But now the public wants nothing so much as relief from the large annual losses, and this can only come through a policy of the utmost economy in operations and the curtailment of new extensions to a practical working minimum. If the Thornton management proves as capable in curtailing expenses as it was in extending lines, the taxpayer may get some relief during the next ten years.

The committee made it clear that there has been much wasteful duplication in capital expenditures. While it specifically mentions in this respect only the triangular steamship service on the Pacific Coast, which it apparently thinks should be abandoned or merged, it had placed before it during its hearings many similar examples, such as the Halifax hotel.

The government should not delay in putting into effect the recommendation that the Canadian Government Merchant Marine should finally be abandoned. No matter what losses are taken on the sale of the boats and the closing up of the shipping lines involved, they will be less than the deficits during the next few years. Canada's venture into ocean shipping has been just as futile and costly as similar ventures in the United States and some other countries. We have learned our lesson and should not forget it. With the unfair competition of the C. G. M. M. out of the way, private shipping companies will be encouraged to give better service out of Canadian ports, and if in the building up of new lines, subsidies are on occasion required they will prove much less expensive than deficits on extravagantly operated government-owned boats.

A number of other recommendations are minor in character compared to the two chief recommendations that capital expenditures on the Canadian National Railways should be curtailed and that the government should go out of the ocean shipping business.

FALSIFYING REPORTS TO INVESTORS

WHETHER or not the British courts, find Lord Kylsant guilty on a charge of issuing a false prospectus in connection with the sale of Royal Mail Steam Packet securities, Canadians will view the decision with detachment. The significant thing is that the R. M. S. P. chairman does not deny having managed the secret reserves of the company to produce a series of good-looking profit and loss statements but that he does deny that this constitutes an offence for which he can be punished. Quite apart from the strictly legal aspects of the case it involves matters relating to the ethics of company finance and the consideration given to investors.

It is no secret in Canada that many of our leading corporations, including the banks issue financial statements that show greater stability in earnings from year to year than one would expect, considering the ups and downs of business. It is a matter of opinion whether or not such income reports are fictitious and, if so, if they are improperly fictitious. They are achieved by utilizing the larger profits of bumper years to make write-offs of doubtful accounts, while accumulated earnings of a special nature that can ordinarily be taken into profit and loss at any time that the directors see fit, may be drawn upon to bolster up earnings when times are more difficult. A company operating several subsidiaries is not called upon to follow any fixed rule in drawing upon the earnings of the subsidiaries to pay dividends on the stock of the senior company and so again in such cases there is a tendency to pay large dividends from the treasuries of the subsidiaries when they are needed most and to allow the profits to accumulate as a nest egg when there is not the same financial pressure. E. W. Beatty has already made it clear the C. P. R. special income account which made possible the payment of the full ten per cent dividend last year was bolstered by the use of funds that had accumulated over a longer term of years. This was done openly and in the shareholders' interests. It is no secret that several of the banks carry real estate worth millions at a dollar on their books. Such matters are questions of policy and directors may well serve the best interests of shareholders and the public at large by financial management of this character. In the long run everyone interested is the gainer.

When danger stalks into the picture is when a company, that has definitely been going downhill, finds it necessary to raise new funds through the sale of securities. To raise such funds on an economical basis it must be able to present a satisfactory earnings report. Here the directors must move circumspectly and make every move deliberately, examining carefully into it to see if it carries any possible implication of unfairness to investors. It is obviously unethical (and under certain circumstances would be illegal) for a company, that lost money in one year, to call up the hidden reserves to present a favorable income picture for that year when new securities were to be sold on the strength of the information so supplied. And while one may not be dogmatic as to what constitutes proper or improper accounting in the recasting of earnings statments, there are possible dangers when a company attempts to set up an income account for several years back "after allowance for non-recurring items." Many companies have sold securities on the strength of satisfactory earnings figures of past years and have been failures from the day the public became interested in them.

The lack of standardization in accounting practice and the futility of attempting to establish such standards by legislation throw the whole question of what is right and what is wrong back upon the directors and executives themselves. Their conscience must be their guide and under such circumstances the investor must in turn find his guide in a study of the individual records of success or failure of the companies in which certain investment bankers, financiers and company directors have interested themselves. The human equation is all important in investment as in every other phase of our daily life.

BILLBOARDS AND BEAUTY

PUBLIC opinion is gradually, but much too slowly, realizing the folly of disfiguring the natural beauty of the country by bill-board advertising. If the natural aesthetic sense of Canadians is not enough to prevent the spoiling of attractive views, a realization of the commercial value of pleasant prospects in attracting tourist traffic should be counted on to produce appropriate action at times. But we are far from having an active and aroused sentiment on the matter.

In Winnipeg there is a conspicuous example. That city is justly proud of the beauty of its legislative building. The tourist highway from the south comes into the heart of the city along Osborne Street, and after crossing the Assiniboine River, passes along the west side of the legislative building, and into Portage Avenue by way of the Mall, widened and laid out so as to give promise of becoming a noble avenue in the future. The banks of the river are attractively tree clad where they approach the bridge and the combination of the curve of the Assiniboine, of the lawns of the legislative building, and that distinguished structure is enough to give the visitor a pleasing idea of the city. But diagonally across from the building, and hiding a pleasing prospect along one of its banks, a great bill board rises beside the bridge, bearing, much to the surprise of the visitor, an advertisement of the Winnipeg City Hydro and the stoves for electric cooking which it supplies. How many stoves the board will sell in the course of a year is doubtful, but if it sold ten times as many it would not compensate either for spoiling the view or for the impression it gives that the city in its corporate capacity cares nothing for such things. It is quite a wrong impression, for Winnipeg's park system is one of its glories.

It is true that the bill board is on private property, and if the city did not buy the advertising space some one else might. But since the city is paying for it, the best use it could make of its investment would be, not to advertise electric stoves, but to tear down the board, and let the trees once more be seen. At least it might display as much conscience in the matter as most of the private posting companies show by refusing to have any part in the disfigurement of natural beauty.

POST-scripts

THE rapid growth of advertising in recent years has led to the formation of many associations, clubs, caucuses and conventions. Billboard display has also achieved wider proportions; as yet, however, we have heard of no concerted effort on the part of sandwich men to get together and place their work on a sound business basis. The responsibilties of these individuals, who bear their message in a quiet unassuming manner through crowded thoroughfares, evidently weigh heavily on the more thoughtful of them. A sandwich man was observed recently with his boards reversed showing a blank space to the public. He sauntered along in a nonchalant way taking bites at intervals from a large piece of pie. When a passer-by called attention to the position of the sandwich boards their bearer replied, "Don't expect me to work in my lunch hour, do you?"

AN AMAZING number of important documents are left lying around in business and government offices and while the occasional super-secret document is undoubtedly guarded carefully, hundreds of minor documents, which would be valuable to outsiders as well as to the principals, are given less careful handling.

Printers are particularly careful in guarding advance copies of annual reports, prospectuses, etc., and those who specialize in this type of work may be relied upon. Their employees are carefully chosen and often the job is divided between so many people that not one of them has a complete picture of the whole story. We know of one company that decided not to take a chance on a leak in connection with its annual report. It decided to print the job in its own little internal printing office, where there was one journeyman printer and a smart young apprentice. But the smart young apprentice sold advance proofs to a friend of his on King Street, Toronto, and soon the figures were known to a number of brokers, who pulled off a smart coup by selling stock short a week before it dropped ten points on the weakness of the annual statement. The company would have been better protected to have given the job to an outside printer.

Recently a Canadian was in Washington. He was invited to a garden party at the home of the Secretary of State. No one asked for his invitation at the door. He merely entered along with heaven knows how many gate crashers. At the party were scores of foreign visitors. Wishing to call a taxicab, he asked a young maid if he might use a telephone. The young lady took him to the Secretary's private study, closed the door and walked out. It was embarrassing to the Canadian who could not help wondering how many confidential and even secret state documents there were in the papers on the top of the desk where he sat. He hurriedly made his call, keeping his eyes fixed on a portrait on the wall, and rushed out of the room feeling like a character in an E. Phillips Oppenheim story.

THE historic part of Newstead Abbey, the family home of Byron, has been presented to the City of Nottingham. The thing about the Abbey that we always liked the best is the inscription, written by Byron, and carved on the urn near which the poet buried the remains of his famous Newfoundland dog "Boatswain." Some time ago when The Financial Post ran a photograph of a Newfoundland dog, part of this inscription was used in the "underline" of the cut and various people asked us the origin of the words. Telling of the opening of the Abbey to the public the London Times reprints the inscription in full. It reads:

> "Near this spot are deposited the remains of one who possessed beauty without vanity, strength without insolence, courage without ferocity, and all the virtues of man without his vices. This praise, which would be unmeaning flattery if inscribed over human ashes, is but a just tribute to the memory of
>
> Boatswain, a Dog,
>
> who was born in Newfoundland, May, 1803, and died at Newstead, November 18, 1808.

New Books

Handbook of N. Y. City Banks

A handy reference book of historical and statistical facts concerning New York City Banks, edited by F. E. Tyng, Jr., banking editor of the New York Sun. It apparently fills a need this newspaper found in its own editorial department for an up-to-date ready-reference source of data on these institutions.

In addition to official figures of dividends, assets and so forth, the book gives a number of "ratios," such as earnings per share, per cent earned on capital funds, relation of deposits to funds, etc., which serve as a guidance to the earning power of a given institution and an indication of future possibilities. It is intended to publish the volume quarterly.

Published by Overseas Statistics Inc., New York. Price $2.50 or $7.50 per year for four editions.

"The End of Reparations"

Dr. Hjalmur Schacht, former president of the German Reichsbank, has written the German side of the reparations case—a side that has received scant attention on this side of the water. Dr. Schacht is recognized as one of the keenest financial men of Europe. He holds firmly to a dread of politicians that is based upon the experience of his own relations with them. He writes non-politically and, because the mistakes of Germany's present political leaders are factors in her present crisis, he discusses these mistakes frankly. Thus while the volume is special pleading to the extent that it tells the German side of the story only, it is a volume of sincerity and conviction. That Dr. Schacht had his eye on the United States is apparent; while American financial and economic policy comes in for some criticism, there runs throughout it a strain of appeal to American good business sense.

Dr. Schacht considers the whole reparations programme impossible of fulfillment. It has been tried and has failed and can only bring about the collapse of Germany, a collapse that would bring down the prosperity of other nations. Without saying it in so many words, Dr. Schacht makes it clear that he considers the vengeful policy of France the actuating force behind the whole policy of exacting tribute for the war costs, and thus the force behind the present world crisis. The future of the capitalist system is tied up with in his opinion with a solution of the problem.

Business men will find it most interesting to read the noted German financier's views on world commerce today, on the question of colonial empires, and on ways and means of promoting the recovery of the world through extensive credits to backward countries who could become large markets for the products of the industrial nations now enshrouded in depression.

"The End of Reparations" must be regarded as a contribution of notable significance to a problem that touches every citizen, including every Canadian, most directly. As a background to the front page news of the moment, news that is likely to hold the front pages of the world's newspapers until reparations are finally abandoned, Dr. Schacht's work may be considered as essential reading.

"The End of Reparations" is published by Thomas Nelson and Sons, Toronto, at $3.50.

The Mines Handbook

In view of the increasing interest in mining, especially in gold mining, a timely volume comes in the new edition of The Mine Handbook, Volume XVIII. This volume originally published as The Copper Handbook in 1900, has grown to include nearly all the non-ferrous metal mining companies of the Western Hemisphere. The present issue covers some 12,000 principal companies, and many more references to quiescent or obsolete companies.

Over four years have elapsed since the publication of the last issue, and some 2,500 mining companies, incorporated during the interval, are described for the first time. The addition of these new companies so increased the size, that it was found necessary to publish the present volume in two parts. Part I includes all the companies in the United States and its possessions, while Part II covers Canada, Mexico, Central and South America. In addition to all the new companies added, the book has been revised, and brought up to date, and carries a large addenda with summaries of the 1930 annual reports of the larger companies.

As can be readily seen, the book has entailed a great amount of work by the editors. The Mines Handbook is published by the Mines Information Bureau, Inc., Layfayette Trust Bldg., Suffern, N.Y., and the sale price is $25 per set.

"Stop Me If You've Heard This One"

Teacher—What happened in 1867, Johnny?

Johnny—Canada became a nation.

Teacher—Right, Johnny. Now what happened in 1872?

Johnny—(after an embarrassing pause), Canada celebrated its fifth birthday.

Let Contract for Tunnel

Contract for driving a pressure tunnel under the first narrows of Burrard Inlet for the Greater Vancouver Water Board has been let to the Northern Construction Company the cost being slightly over one million dollars.

Advertising to Cut Costs Way Out of Depression

Publicity is Just as Important as Supply of Raw Materials and Should be Carried On

By SIR J. GOMER BERRY, Bart.

In Address Opening Convention of Advertising Association of Great Britain

We are meeting today at a time of grave industrial depression affecting not only Great Britain and her Empire, but every part of the civilized world. This depression is not limited to any one industry but affects all commercial activities. Notwithstanding this blanket of depression it is my belief that advertising can play a large part in lifting it.

And now I think it would be well to restate as simply as possible the principles and purposes of advertising:

To advertise is to inform. The main purpose of this information is to sell goods and service. That is our concern today.

Even our great political parties advertise to sell their services. They sell those, just as the merchant does his goods by making promises and assertions; they are criticised just as the merchant is, if they fail to perform those promises and substantiate their claims or justify their assertion. Unlike the merchant, politicians are usually prepared for a comparatively short term of the enjoyment of public favor. The sound merchant must base his policy, expenditure, and programme on a long continuance of public favor. He recognizes that advertising cannot carry the whole of the responsibility of commercial success. I emphasize this point because I fear that today it is a common thing to expect too much of advertising. Sometimes it is necessary to strike this note of warning to all those concerned in the use of this great driving force of industry.

Must Justify Claims

Advertising is the greatest individual force in trade development when used to convey information and to persuade the public to buy commodities of real value and service: commodities which justify all the claims and assertions made on their behalf; commodities for which there is a real or potential demand; commodities which are so distributed that they are easily obtainable by those who have been asked to buy.

I do not think too much emphasis can be laid upon consideration of the article to be advertised. It must be justified on the score of utility, desirability, value and service. No commodity should be launched without a thorough examination of the particular market it is intended to supply, and a close examination of all similar articles being offered in that market.

It is equally obvious, although it does not need restating, that the wholesale and retail trade should have the necessary supply to meet the demand to be created.

If I reiterate these facts it is because lack of proper consideration and faulty judgment as to the probable public demand for a particular article, and inefficient distribution, are still the greatest enemies of advertising.

Every advertising failure is a deterrent to the progress of the business.

The problem we who are engaged in the advertising business are faced with today is to prove the essential need of maintaining advertising during this time of world depression, and in urging this necessity I only do so in connection with articles the manufacturer has every justification for marketing.

To repeat, these are articles of value and service to the public which meet the public's economic necessities and purchasing power.

May we consider for a moment the economic advantage to the public of advertised articles. The bulk of them can be proved to be cheaper, when quality is taken into consideration, than unadvertised goods competing with them.

Advertising is a selling method which should it increase the cost of a particular commodity would make that commodity unsaleable against non-advertised competitive articles.

Lowers Distribution Costs

Advertising is a method of reducing costs of distribution. The force of competition makes it impossible to maintain the sale of an article unless at a competitive price. As an example, take a modern product, the motor car, who can question that advertising, by increasing demand, has reduced cost. That same principle is applicable over the whole range of industry.

Mr. Amery, when Secretary of State for the Colonies said that "under modern conditions of industry, advertising is absolutely an essential element in efficiency and cheapness of production."

There has been too great a tendency on the part of merchants and manufacturers to curtail for the time being their expenditure because of a temporary falling off in demand and smaller balances of profit on trading.

To put your pencil through certain items and amounts in an appropriation is a comparatively simple thing, but it is no simple thing to deal afterwards with the inevitable result which will be, although perhaps not immediately, a lessening of the demand and a fall in sales.

As Essential as Materials

I believe myself that there are times when expenditure has to be maintained even at the risk of lower dividends. At the present moment it is urged by some that advertising is costing more, as the return from a depressed community is not as good as it would be in times of national prosperity. But advertising is just as essential as the raw material of a product, increased cost of which has to be paid for if you are to continue to manufacture. The difference is that you cannot do without your raw material, but you can stop your advertising expenditure, though unwisely.

I have said that advertising is to inform. If you expect to continue to make sales it must be necessary to continue to inform the public of your articles.

I venture to suggest that the opinion of our leading experts today would be that the special step to take to meet the present depression is the production of articles at a price to meet depressed purses. This can be accomplished by mass production and advertising.

Canadian Government
Provincial, Municipal
and
Corporation Securities

R. A. DALY & CO.
LIMITED
80 KING STREET WEST
TORONTO

Prompt Service for Investors

Complete facilities for the transaction of investment business are available at each of our offices.

Prompt and careful attention is devoted to the correspondence of out-of-town clients.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Vancouver Victoria New York London, Eng.

Serving Canada's Baking Industry for more than sixty years

FLEISCHMANN'S
BAKERY SERVICE

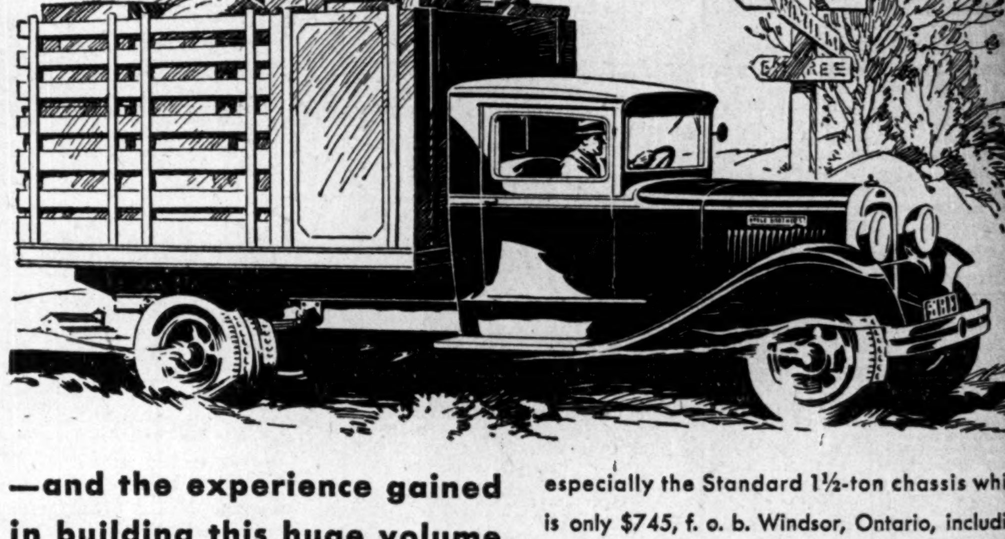
Fleischmann's Yeast : Fleischmann's Baking Powder
Fleischmann's Arkady : Fleischmann's Panomalt

Quality Products of
STANDARD BRANDS LIMITED
HEAD OFFICE. MONTREAL

A Canadian corporation operating Canada's largest fresh food delivery system

MANUFACTURERS AND DISTRIBUTORS OF
Fleischmann's Bakery Products • Fleischmann's Yeast for Health
Magic Baking Powder • Gillett's Lye : Royal Yeast Cakes
Chase & Sanborn's Tea and Coffee

OVER 400,000 DODGE TRUCKS
CHOSEN BY TRUCK USERS



—and the experience gained in building this huge volume safeguards your choice today

Business men—with every conceivable kind of hauling job to do—*have purchased over 400,000 Dodge Trucks.* » » What more conclusively proves the solid worth of these dependable workers? And what could be more advantageous to you than the *experience* gained by Dodge engineers and workmen in the designing and building of this enormous total. Such *experience* assures the modern design, precision construction and part-to-part balance that mean even greater Dodge dependability, lower costs and more able performance throughout the truck's unusually long life. » » Inspect and test Dodge Trucks—especially the Standard 1½-ton chassis which is only $745, f. o. b. Windsor, Ontario, including standard factory equipment (freight and taxes extra). You will say they are every inch modern trucks—exceptional values at their low prices.

THE COMPLETE LINE OF DODGE TRUCKS RANGES IN PAYLOAD CAPACITIES FROM 1,200 TO 11,175 POUNDS—PRICED, CHASSIS F. O. B. WINDSOR, ONTARIO INCLUDING STANDARD FACTORY EQUIPMENT (FREIGHT AND TAXES EXTRA), FROM $540 TO $3425, INCLUDING THE 1½-TON CHASSIS AT $745

TO HELP LOWER YOUR HAULING COSTS
OPERATING RECORD BOOK FREE

DODGE BROTHERS (CANADA) LIMITED C-15
Windsor, Ontario

Send your Operating Record Book. I understand there is no obligation.

NAME________________

ADDRESS________________

CITY________ PROVINCE________

Number of Trucks Operated (Book for each will be sent)________

"CANADIAN-BUILT FOR CANADIANS"

DEPENDABLE
DODGE TRUCKS
DODGE BROTHERS (CANADA) LIMITED, WINDSOR, ONTARIO

Business Conditions in Canada

The Week in Business

European Crop Prospects
Western Farmers More Optimistic
Six Months Position Reviewed

LITTLE of encouragement to Canadian farmers is found in the June report of the International Institute of Agriculture at Rome which reached here at the first of the week. After detailing crop prospects in leading wheat countries of the world, the report says: "As a general conclusion to this examination of the prospects of production in the Northern hemisphere it may be said that at the present time there is a probability of a wheat crop above the average and of a rye crop about average."

In France for instance, this report shows that a considerably larger crop as compared with the poor one of a year ago, may be "justifiably anticipated." Italy also looks forward to a larger crop, probably 30,000,000 to 40,000,000 bushels more than last year, while Danubian countries such as Bulgaria, Rumania, and Yugoslavia announce an excellent situation and prospective heavy production. In Germany, although prospects are said to be decidedly inferior to those at the corresponding period of 1930, it is noted that last year, the crop situation deteriorated gradually in subsequent months so that a situation not unlike last year may in the long run materialize.

DESPITE this prospect which points to a possible further piling up of wheat stocks during the next crop year and continued low prices, prairie farmers, according to western correspondents, have taken heart once more at the sight of plenteous rainfalls and whereas a week or two ago there were prospects of nothing, farmers will now have plenty of feed and in nearly every case a small amount of grain, running possibly as low as five bushels to the acre. A despatch dated July 15, from Winnipeg, for instance says: "While the people here have not yet started to send their money there has been a wonderful improvement in the past ten days."

NOW that July is well underway and data for the first six months of the year are available, it may be of value to summarize briefly the record of the past six months as compared with the same period a year ago. In the first place foreign trade showed a decline in dollar volume of 31 per cent, which is in large measure due to lower prices, as evidenced by the fact that wheat exports, our biggest single trade item, actually increased 34 per cent in volume but dropped 11 per cent in dollar value. Next comes construction with a decline of 32 per cent according to MacLean Building Reports, while building permits in 61 cities fell the same percentage of which 15 per cent is attributed directly to the decline in prices of building material. Automobile production dipped 40 per cent in the first six months while pig iron production was off 34 per cent and steel ingot output declined 27 per cent. Finally car loadings were 18 per cent lower than for the same period last year while newsprint production was off 12 per cent.

It will be noticed most of these declines are in what are generally known as the heavy or basic industries, and as data becomes available later on in the month regarding the six month record of "consumer goods" industries such as textiles, boots and shoes and so forth, it is expected that the heavy percentage declines will be offset and in some cases may even give way to acaual, though slight increases over 1930.

TOURIST TRAFFIC OF CANADA, U.S.A. WORLD'S LARGEST

Average One-day Visitor Spent $13.61 in 1930, Motored 110 Miles

Tourist traffic between Canada and the United States involves a larger total expenditure than that between any other two countries in the world, according to the ninth annual report of the balance of international payments of the United States, 1930, issued last week.

In 1929, for example, United States visitors in Canada spent about $296,000,000 and Canadians in the U. S. A. spent about $91,000,000. The corresponding figures for 1922 were only 76 millions and 26 millions, so the rate of growth of the traffic has had few or no parallels in international "tourism." Even in the depression year, 1930, the declines in total expenditures were rather unimportant; and there was an increase of roughly 20 per cent in the number of persons crossing the Canadian-American frontier.

Big Traffic Jam

The 5,409,458 American automobiles "imported into Canada for touring purposes" during that year, if allowed 15 feet of space, each, would have made a traffic jam about 15,368 miles long; and the Canadian cars in this transfrontier traffic would have made a line nearly one-seventh as long.

Valuable data as to what visiting tourists to Canada do and spend, is also contained in the report. In 1930, those who stayed one day in Canada spent on the average $13.61, as against $15.74 in 1929, and motored 109.7 miles, as compared with 111.2 miles for similar visitors a year ago. Tourists with 60-day permits spent on the average $110 per car in 1930, as compared with $144 in 1929 and $156 in 1928. They motored on the average about 470 miles. These figures, says the report, may be accepted as statistics rather than estimates, since they are carefully compiled from returns to 5,000 post card questionnaires handed by border officials to United States tourist drivers upon re-entering the U. S. A.

No Canadian tourists in the United States were handed questionnaires in 1930, but an extensive survey in 1929 revealed that the average Canadian one-day tourist in the United States spent only $6.79 and motored on the average 60 miles in the U. S. A.. Sixty-day permit holders spent on the average $119.64 and motored 957 miles.

Business Briefs

Wheat Stocks at July 10 showed a decrease compared with the previous week of 2,993,152 bushels or 2.5 per cent, while the amount, 113,910,655 bushels, was 4.24 lower than at July 11, 1930. Deliveries to country elevators show a seasonal decline, but remain slightly in excess of last year's figures. Other grains in store amounted to 33,667,630 bushels, being 4.65 per cent below the previous week and 15.8 per cent below the amount on hand at July 11, 1930.

Car Loadings for week ending July 11, 1931 were 9.6 per cent heavier, at 47,729 cars, than for the previous week, but were 21.7 per cent less than for the same week last year. All classes of commodities except coke shared in the week's heavier volume though loadings under all headings were lower than last year.

Radio Licenses issued throughout Canada for the 12 months ended June 30, 1931, numbered 421,731, or 19.37 per cent below the number issued in the previous 12 months. Ontario granted 212,299 licenses as compared with 260,359 for the previous year, and Quebec 89,449 as against 96,999.

Cigarettes Entered for consumption in Canada during June numbered 430,179,170 and cigars 14,380,513 as compared with 434,948,266 and 16,654,019 for June 1930. Cigarettes showed an increase of 12.3 per cent over May, and cigars a decrease of 2.4 per cent.

Basic Industry Outlook Poor

	Canada	United States
Commodity Prices:	International difficulties deter favorable price reaction.	All time low record 50¼ for wheat futures on Chicago Exchange July 15.
Iron and Steel:	Pig iron output up 11 p.c. in June—steel production touches year's low.	Production of steel declines further to about 31 p.c. below capacity.
Foreign Trade:	June exports decline 54 p.c. from 1930—six month figures of 32 p.c.	June exports lowest any months for many years. Imports almost touch February low.
Car Loadings:	Current figure 21.7 p.c. below same week 1930.	Current figure 15.6 p.c. below same week 1930; 26.6 p.c. below last year.
Employment:	Basic industries affected to greatest degree by seasonal business decline.	Philadelphia index 75 p.c. of the 1923-5 average, and 19 p.c. below June, 1930.
Stock Markets:	Losses exceeded gains in listless market, price movement undecided.	Trading at lowest point for present year—prices remain firm.
Credit:	Second quarter failures much improved over first quarter of 1930.	Failures decline a second quarter—liabilities larger than any quarter since '28.
Week's Highlight:	June 6 index physical volume of business drops 5 p.c. to eclipse January low.	U. S. indices reveal similar trend to Canadian chart—outlook for heavy industries continues dull.

Dollar Value Of June Trade Again Lower

Canada's total trade for the first three months of the current fiscal year declined 31 per cent. In that period imports dropped 33 per cent and exports 29 per cent, total trade being $325,350,000 as against $471,198,000 for the same period a year ago. Figures for June alone, showed a decline of 42 per cent in imports to $52,605,000, and a drop of 31 per cent in exports of Canadian produce to $54,348,000.

Volume of Canadian exports, as indicated by a dozen leading items, would seem to be holding up remarkably well with a large portion of the loss in total value due apparently to lower prices, except in the case of copper and meats. The best showing on a volume basis has been in wheat, which for the three months period was exported to the tune of 54,980,000 bushels as compared to 35,884,000 bushels for the same period a year ago. Lower prices, however, dropped the value of our wheat exports from $38,000,000 a year ago to $33,900,000.

Three months' exports figures for principal items are as follows:

LEADING ITEMS OF EXPORT
(Three Months Ended June 30)

	1930 $	1931 $
Wheat	38,067,199	33,910,283
Wheat flour	8,297,468	4,662,751
Fish	5,815,879	5,529,116
Furs	3,511,892	2,094,279
Meats	1,909,026	832,752
Cheese	1,246,360	783,153
Planks & boards	10,034,029	5,245,838
Wood pulp	9,128,461	6,838,475
Newsprint	33,461,209	28,405,694
Autos and parts	4,909,828	1,722,445
Copper, unmfg.	7,418,873	1,386,093
Nickel, unmfg.	5,090,074	4,359,820

INDUSTRY GAINS IN PRAIRIE PROV.

Capital invested in manufacturing enterprises in the three prairie provinces is now close upon the $350,000,000 mark, according to a census of industry for 1929 prepared by the Dominion Bureau of Statistics at Ottawa. The number of establishments reporting were: in Manitoba, 923; in Saskatchewan, 761; and in Alberta, 817. All showed increases over 1928.

In Manitoba the total gross value of all products during 1929 amounted to nearly $165,000,000. Slaughtering and packing led all other industries with value of products of $22,370,467, followed by flour mills, railway rolling stock and butter and cheese.

In Saskatchewan, flour mills led with a gross value of products of practically $19,000,000 out of a total for all industries of $80,501,159. Butter and cheese was second, followed by slaughtering and meat packing, central electric stations, and printing and publishing. Petroleum, one of the leading industries, is not recorded, there being fewer than three establishments reporting.

In Alberta, first place was practically divided between flour mills, producing a gross value of nearly $19,800,000, and slaughtering and meat packing with $19,455,000, of a total for all industries aggregating $107,556,792. Petroleum products had a gross value of $12,738,164, and butter and cheese manufacturing followed with $7,315,386.

June Business Declines; Business at New Low

Only Three Out of Eighteen Factors Show Gain—Financial Post Preliminary Index Declines 5 P. C.

By SYDNEY B. SMITH

A considerable setback in business operations during June was indicated by statistical information summarized in The Financial Post preliminary index of the volume of general business. The index was 120.0 compared with 126.3 in the preceding month. Only three factors out of the eighteen used in the compilation showed gains in June and heavy declines were registered in most departments. While production indexes differ somewhat according to the component factors, it is clear that a low point in industrial operations was reached about the beginning of the year. A moderate revival was apparent during the first four or five months, while in the last month or two the reaction has been decidedly greater than normal for the season. The weighed average of the eighteen factors used here after adjustment for seasonal tendencies reached a new low point in June for the present depression.

The setback in June indicated by the business index is fully confirmed by an examination of the behaviour of the eighteen factors included in the computation. The exports of copper showed a slight gain, the sugar industry was more active and the production of pig iron was in greater volume. The decline of 15 factors was the determining influence leading to a drop of 5 p.c. in the general index.

Motor Car Output Down

Output of motor cars during June showed a further decline to 6,835 units. This compares with 12,738 units in May and 17,159 in April when the peak for the year was reached.

The index for June after seasonal adjustment was 72.0 compared with 111.9 in the preceding month, a decline of 35.6 per cent.

Owing to the resumption of the blast furnace at Port Colborne an unexpected increase was shown in the output of pig iron, the production being 55,822 tons compared with 50,511 in May. The output of steel, more characteristic of general conditions, showed a sharp decline from 75,200 tons in May to 55,600 tons in June. The output of newsprint at 193,971 tons was down about 1.5 per cent from the level of the preceding month after seasonal adjustment.

Lumber Outlook Better

While it was reported that some improvement in the lumber industry occurred in June the exports of planks and boards did not show the normal gain for the season. The placing of an order for 4,000,000 feet of lumber from Australia, the first of its kind in a period of six years, followed by a sale to Great Britain of about 1,500,000 feet has given a brighter outlook to the industry located in British Columbia, and dealers in the east reported summer trade somewhat better than in the preceding months.

Reflecting the marked setback in domestic operations, imports and exports also showed considerable contraction. Imports were heavy in May in anticipation of the Budget announcement in regard to sales taxes and tariff changes and the June level suffers in comparison. Imports in each of the eight groups of the component material classification showed a decline in June. Animal products and wood and paper were the only groups showing gains in the export classification. Imports declined to $52,508,000 from $73,437,000 in May and exports to $55,320,000 compared with $60,845,000.

The inactivity of productive enterprise at the present time has its silver lining in the sense that the normal needs of an increasing population are being only partially met. Postponed demand means that sooner or later a revival of operations will be called for because of needed replacements. The question as to the time that the major revival will commence remains unanswered, but the advance of stock market prices in June and recent firmness apparently confirms that improvement within a reasonable period is expected by the majority of traders.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	1930	Cumulative Jan. 1 to date 1931	1930
C. P. R. Gross Earn. (July 14)	$ 2,709,000	$ 3,445,000	$ 75,873,000	$ 92,174,000
C. N. R. Gross Earn. (July 14)	$ 3,376,180	$ 4,292,210	$ 95,846,721	$ 118,300,690
Car Loadings (July 4)	47,729	60,988	1,349,030	1,646,832
Common Stock Index (July 16)	79.6	137.2	....	....
Production—	Monthly			
Pig Iron, tons (June)	55,822	66,081	299,222	451,186
Steel, tons (June)	55,605	95,312	461,877	636,613
Newsprint, tons (June)	193,971	213,634	1,136,896	1,284,158
Automobiles (May)	12,738	24,672	59,250	95,595
Books and Shoes, pr. (May)	1,740,792	1,524,938	7,402,528	7,874,139
Flour, bbls. (May)	1,183,280	1,392,982	5,527,658	6,047,304
Mineral Production—				
Gold, oz. (April)	223,082	169,166	824,803	632,487
Silver, oz. (April)	1,685,842	2,568,017	7,801,929	7,983,672
Nickel, tons (April)	2,067	5,095	12,843	18,494
Copper, tons (April)	13,922	12,754	49,092	51,978
Lead, tons (April)	16,119	13,825	53,902	58,343
Zinc, tons (April)	11,353	10,090	43,436	40,484
Coal, tons (April)	888,312	907,451	4,078,325	4,882,548
Nat. gas, M. cu. ft. (April)	2,454,063	2,433,026	11,380,924	12,516,885
Petroleum, bbls. (April)	153,705	102,335	649,425	412,142
Automobile Financing—				
Used Cars (May)	$ 2,877,442	$ 4,619,712	$ 10,121,626	$ 14,787,086
New Cars (May)	$ 3,439,738	$ 5,013,427	$ 10,514,463	$ 14,605,500
Construction—				
Building Permits (June)	$ 8,470,738	$ 18,621,487	$ 57,472,274	$ 85,413,985
Contracts (June)	$ 29,793,400	$ 54,728,200	$ 162,937,600	$ 240,626,000
Labor—				
Employment Index (June)	103.6	116.5	....	....
Trade—				
Imports (June)	$ 52,605,418	$ 91,543,981	$ 354,007,418	$ 543,313,981
Exports (June)	$ 54,348,421	$ 78,703,281	$ 291,720,421	$ 436,500,438
Imports of Key Products—				
Rubber, lbs. (May)	6,154,536	5,809,139	25,684,371	30,829,054
Cotton, lbs. (May)	8,405,000	7,056,000	40,940,000	40,944,000
Sugar, raw, lbs. (May)	149,907,300	98,646,300	312,344,400	231,967,100
Petroleum, crude, gal. (May)	107,208,711	99,212,897	346,986,755	363,503,168
Coal, tons (May)	1,191,017	1,373,573	4,167,411	6,739,905
Exports of Key Products—				
Newsprint, tons (May)	185,431	225,251	885,934	973,281
Automobiles, No. (May)	1,512	3,024	9,228	19,880
Wheat, bus. (June)	20,783,219	18,989,550	87,886,810	59,204,196
Wheat flour, bbls. (June)	490,294	597,752	2,665,258	5,702,282
Electric Power—Output—				
M. Kilowatt hours (May)	1,359,772	1,544,627	6,999,405	7,515,336
Population—				
Emigration (May)	612	4,216	5,469	21,679
Immigration (April)	3,201	19,309	8,523	41,214
Finance—				
Failures, No. (May)	163	166	944	1,027
Failures, Liabilities (May)	$ 2,970,416	$ 2,600,755	$ 17,996,421	$ 24,002,531
Bank Debits (May)	$8,171,603,100	$3,426,869,070	$18,731,605,923	$15,627,429,158
Bond Sales (June)	$ 51,444,897	$ 68,994,483	$ 964,489,511	$ 373,293,819
Insurance sales (May)	$ 41,314,000	$ 50,085,000	$ 215,275,000	$ 245,407,000
Wholesale Prices (1926=100—				
General Index (June)	72.2	87.7	....	....
Iron and its products	87.4	91.2	....	....
Cotton, raw	52.0	82.3	....	....
Grains	42.0	73.2	....	....
Live stock	76.0	121.6	....	....

JUNE BUILDING AT RECORD LOW PERMITS SHOW

Activity in 61 Cities is Less Than Half 1930 Figure

Building permits issued by 61 leading Canadian cities dropped 32 per cent in the first six months of 1931 as compared with the corresponding period a year ago and 54 per cent as compared with similar permits issued in the first six months in 1929. Permits issued in June are the lowest ever recorded at $8,470,000, which was a drop of 54.5 per cent from the corresponding figure a year ago, of $18,621,000. Permits issued in June, 1929, at $27,816,000 were over three times the June, 1931, figure.

Cause of the current decline in dollar value of building is to some extent, attributable to a drop in prices of building material. According to the average indices of wholesale prices of building material prepared by the Dominion Bureau of Statistics, prices for the first six months of 1931 were 15 per cent lower than for the same period a year ago. Accordingly, after allowance is made for this decline in prices, it is found that volume of building in the first six months of 1931 as compared with the same period a year ago, declined only 21 per cent as compared with a decline in total value of 32 per cent.

Of the larger cities, Toronto and Winnipeg recorded increases in the value of the permits issued as compared with the preceding months, but a decline as compared with the corresponding months in 1930. Montreal showed a reduction in the former and an increase in the latter comparison, while Vancouver reported decreases in both. New Glasgow, Kingston and Brandon indicated improvements over both May, 1931, and June, 1930.

Cumulative figures for the first six months by provinces and by four leading cities are as follows:

Six Months Building Permits

Four Leading Cities:	First 6 months 1931 $	First 6 months 1930 $
Montreal	14,026,107	10,934,261
Toronto	7,509,295	20,396,492
Winnipeg	3,177,900	4,184,850
Vancouver	7,509,130	7,064,258
Total	32,222,432	42,579,861
Proportion of permits issued by 4 largest cities in 6 months, to 6 months' total for 61 cities	56.1 p.c.	49.9 p.c.

By Provinces

	First 6 months 1931 $	First 6 months 1930 $
P. E. I.	Nil	58,000
Nova Scotia	2,259,535	2,101,016
New Brunswick	602,505	2,301,949
Quebec	16,859,358	15,822,142
Ontario	20,686,167	40,560,426
Manitoba	3,291,998	4,453,820
Saskatchewan	2,216,047	5,477,498
Alberta	2,968,610	5,578,741
British Columbia	8,588,054	9,060,393
Canada (6 months)	57,472.274	85,413,985

Pig Iron produced in Canada during June amounted to 55,822 tons, or 11 per cent higher than in the previous month, but 16 per cent less than in June last year. Six months total was 299,222 tons compared with 451,186 tons in the first half of last year and 518,557 tons for same period 1929.

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DIVIDEND NOTICES

Canadian Investors

Corporation, Limited
Dividend No. 6

A dividend of 25 cents per share, being at the rate of $1.00 per share per annum, has been declared on the no-par value shares of Canadian Investors Corporation, Limited, for the quarter ended July 31st, 1931, payable to shareholders of record July 15th, 1931.

By order of the Board.
M. J. PATTON,
Secretary-Treasurer.
Toronto, July 14th, 1931.

GEORGE WESTON LIMITED

Preferred Dividend Number 14

NOTICE is hereby given that a Dividend of one and three-quarters per cent for the three months ending 31st July, 1931 (being at the rate of 7 per cent per annum), has been declared on the 7% Cumulative Redeemable Preference Shares of the Company, and will be payable on and after August 1st, 1931, to the Preferred Shareholders of record at the close of business on the 20th day of July, 1931.

CHARLES W. KERR,
Secretary.
Toronto, 13th July, 1931.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of SEPTEMBER next, to Shareholders of record at close of business on the 31st July, 1931.

By order of the Board,
W. A. BOG, General Manager.
JACKSON DODDS, General Manager.
Montreal, 17th July, 1931.

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 178

Notice is hereby given that a dividend of Three per cent on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1931, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st September next, to shareholders of record at the close of business on the 31st day of July, 1931. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 17th July, 1931.

Standard Paving & Materials Limited

PREFERRED DIVIDEND NO. 10

Notice is hereby given that the regular dividend of $1.75 (being at the rate of $7.00 per annum) per share, has been declared on the Cumulative, Convertible, Redeemable, Preferred shares of Standard Paving & Materials Limited, for the period ending July 31st, 1931, payable August 15th, 1931, to shareholders of record at the close of business July 31st, 1931.

By order of the Board.
N. C. SHIPMAN,
Secretary.
Toronto, Ontario, July 20th, 1931.

Consolidated Sand and Gravel Limited

PREFERRED DIVIDEND NO. 13

Notice is hereby given that a dividend of $1.75 per share (being at the rate of $7.00 per annum) has been declared on the Preference Shares of Consolidated Sand & Gravel Limited, for the period ending August 15th, 1931, payable August 15th, 1931, to Shareholders of record at the close of business July 31st, 1931.

By order of the Board.
A. M. HARNWELL,
Secretary.
Toronto, Ontario, July 20th, 1931.

The Royal Bank of Canada

DIVIDEND NO. 176.

NOTICE is hereby given that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday, the first day of September next, to shareholders of record at the close of business on the 31st day of July.

By order of the Board.
M. W. WILSON,
General Manager.
MONTREAL, Que., July 14, 1931.

THE GUELPH CARPET AND WORSTED SPINNING MILLS LIMITED

Preferred Dividend No. 9

Notice is hereby given that a dividend of one and five-eighths per cent (1⅝%) being at the rate of six and one-half per cent (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet and Worsted Spinning Mills, Limited, for the three months ended July 31st, 1931, payable August 1st, 1931, to shareholders of record at the close of business July 20th, 1931.

By order of the Board.
B. F. GRIGGS, Secretary-Treasurer.
Guelph, Ont., July 16th, 1931.

THE GUELPH CARPET AND WORSTED SPINNING MILLS LIMITED

Common Dividend No. 8

Notice is hereby given that a dividend of twenty-five cents (25c) per share has been declared upon the outstanding Common Shares of No Nominal or Par Value of The Guelph Carpet and Worsted Spinning Mills, Limited, payable August 1st, 1931, to shareholders of record at the close of business July 20th, 1931.

By order of the Board.
B. F. GRIGGS, Secretary-Treasurer.
Guelph, Ont., July 16th, 1931.

WEST KOOTENAY MAKES HEADWAY AT CORRA LINN

Earnings Show Normal Increase During Year

From Our Own Correspondent

MONTREAL.—West Kootenay Power and Light Co. is making progress with its new power plant at Corra Linn. The dam is completed and work on the power plant is expected to be commenced shortly. The development, which is expected to come into operation early in 1932, will consist of three units of 19,000 horsepower each operating under a head of 53 ft.

Financing of the project was carried out by the sale of $6,500,000 of 5 per cent first mortgage bonds early this year, proceeds of which were also used to retire the first mortgage and general mortgage bonds of Cascade Water Power and Light Co. amounting in the aggregate to $2,186,953.

Large Projects Planned

Other projects which West Kootenay has under consideration include a possible 300,000 horsepower development on the Pend d'Oreille River; a 30,000 horsepower plant on the Adams River and a similar unit on the Kootenay River at Brilliant.

The latter plant will comprise the company's fifth hydro-electric development on the Kootenay River. The scheme would mean the complete harnessing of the river between Kootenay Lake and the Columbia River while plants already operating or under construction impound the entire flow of the river from the lake to the South Slocan power site.

Earnings Show Gain

During 1930 the company had a revenue producing load of 91,701 horsepower which compared with 82,574 horsepower in the previous year. Gross income was larger and the company declared a 15 per cent dividend on its $6,112,000 of common stock, all of which is owned by Consolidated Mining and Smelting Co. of Canada. This was the first payment to be made on the junior stock since 1922.

Earnings of West Kootenay during the current year are reported as showing a normal increase over those of last year.

BRAZILIAN SHOWS DROP IN EARNINGS

Unfavorable Rate of Exchange Remains Chief Factor

Net earnings of Brazilian Traction, Light & Power Co. in June decreased $441,013 from the net for June, 1930. Gross earnings, at $3,250,203, were down $896,681 while operating expenses, at $1,219,977, were reduced by $455,668. The decrease in net earnings in comparison with June, 1930, is accounted for in large measure, as in previous months, by the decline in exchange.

For the first six months of the current year the aggregate net earnings have amounted to $11,311,311 on a gross of $18,766,873. In the corresponding period of 1930, gross earnings amounted to $24,286,359 and net earnings to $14,021,020.

The following statement issued by the company gives combined earnings and expenses of the Public Utility Services, operated by subsidiary companies in Brazil, controlled by this company for the month of June, and also for the first six months of the year:

June:	1931 $	1930 $
Gross earn. from oper.	3,250,203	4,146,884
Operating exp.	1,219,977	1,675,645
Net earnings	2,030,226	2,471,239
Aggre. gross earn. from Jan. 1	18,766,873	24,286,359
Aggre. net earn. from Jan. 1	11,311,311	14,021,020

The operating results as shown in dollars are taken at the average rates of exchange between milreis and dollars. They have been approximated as closely as possible, but will be subject to final adjustment when the annual accounts are made up.

The above figures are also subject to provision for depreciation and amortization.

U. S. Firms Must File Canadian Tax Return

Many United States firms have recently been requested by Canadian income tax authorities to file returns covering their Canadian business for the past year, in accordance with section 27 of the War Tax Act. The section provides that any non-resident firm selling goods to Canadian customers through any person in Canada is liable to be taxed. Profits derived from sales made direct, without the agency of any person or firm in Canada would not be subject to the tax.

This section, which has not been enforced strictly up to this time, provides that the Minister shall have full discretion as to the manner of determining the taxable proportion of the income derived from business done in Canada.

Annapolis Apple Crop Estimate

Estimates of the total yield of this year's apple crop in the Annapolis valley range from 2,250,000 to 3,000,000 barrels. With cultivation, fertilizing and spraying being carried out more thoroughly than ever before, indications point to a crop of high quality.

McIntyre Porcupine Mines, Ltd.

(No Personal Liability)
DIVIDEND NO. 51

Notice is hereby given that a dividend of five per cent (5%) on the issued Capital Stock of the Company will be paid on the 1st day of September, 1931, to shareholders of record at the close of business on August 1, 1931.

By Order of the Board.
BALMER NEILLY,
Treasurer.
Dated at Toronto, July 16, 1931.

Dom. Textile Adds To Magog Activity

From Our Own Correspondent

MONTREAL. — Dominion Textile Co.'s print works at Magog will be the scene of the company's expansion into the manufacture of cotton and artificial silk corduroy, velvets and velveteens referred to in the annual report. No plant construction is entailed; the initial installation, which will be gradually increased, will cost about $25,000.

The new machinery to be installed at Magog, however, only comprises finishing equipment. Weaving operations will be carried on in other units on machines which are already in use.

The board of directors of Dominion Textile Co. was reelected without change at the annual meeting held recently.

Maritime Unit Is Latest Move Of Corp. Steel

From Our Own Correspondent

MONTREAL. — Corporate Steel Products has formed a subsidiary in Saint John, under the name of Atlantic Steel Products; manufacture and distribution in the Maritime provinces will commence immediately.

Activity in the Maritime Provinces marks another step in Corporate Steel Products' policy of expansion. The company recently acquired Ottawa Sheet Metal Works giving it a foothold in the Ottawa Valley while early in 1931 a large new plant was opened in Montreal.

Through its operating subsidiary Western Steel Products and its subsidiaries, Corporate Steel Products now operates 13 plants located in important centres from New Brunswick to British Columbia.

During 1930 the company completely reorganized its operating structure, including manufacture, selling and all other departments as well as personnel. Over $100,000 was absorbed in operating overhead through this policy.

INSURANCE SHARES THOUGHT SOUND

Careful Selection When Yield is Good, Favored by Standard Statistics

That a carefully selected and well diversified commitment in all classes of insurance stocks, when obtainable on a fair yield basis, affords the opportunity for the procurement of better than average appreciation over the long term, is the conclusion drawn by Standard Statistics Co., New York, from a comprehensive analysis of life, fire, and casualty and surety stocks recently completed.

Companies in the fire group appear to be favored as the more profitable, underwriting operations in 1930, for example, being found to have shown a profit of 3 per cent of premiums earned, the average over the past five years having been 3.4 per cent. The average five-year price-earnings ratio for 30 U. S. fire issues has been around 13 to 1.

Earnings of casualty and surety companies have generally not been so favorable, largely owing to the multiplicity of lines covered, a number of which have been quite unprofitable of late. This is attributed to inadequate premium rates, reflecting the intensity of competition as well as the difficulty of precise computation of premiums which should be charged for new insurable lines which have been created. Net premiums written over all the various lines have shown a progressively worse loss ratio, this having been 2.5 per cent in 1929, expanding to 4.7 per cent in 1930. Moreover, no material improvement in these results is in early prospect.

Life company shares can be expected to act with the most decorum of the entire insurance group; casualty and surety stocks to be more sensitive in their movements, while the fire group, as the most delicately adjusted of all insurance securities should respond most readily to the trend of the stock market in either direction.

Summing up, Standard Statistics finds that insurance stocks afford a good investment opportunity for part of the funds of an investor who is prepared to disregard intermediate fluctuation, and who is alert to make changes in his list whenever opportunities are sighted to improve the status of this division of his portfolio.

Soviet Russia Extends Compulsory Insurance

Soviet Russia's Council of Labor and Defence recently ratified a plan for extending various types of compulsory insurance in cities and villages. Hitherto the Gosstrakh (State Insurance Company) had issued obligatory farm insurance covering only part (one-half to one-third) of the value of buildings, crops, animals and so forth. This is now to be extended to cover their full value.

All business and farm buildings and dwellings in cities continue to be insured for their full value.

Cotton, kenaf and soy-beans, must now be insured against hail, flood and frost. In main cotton growing regions cotton and kenaf plantations must be insured against crop failure for from three-fifths to two-thirds of the average value. Work animals must be insured against accidents, while small domestic animals (sheep, poultry, etc.) are subject to insurance only where breeding is on a commercial scale or animals are pure-bred and especially valuable as breeders. Grain in storage will be insured for its full value. Premiums are based on a zone-tariff fixed by the Commissariat for Finance.

SADDLERY LOSS SHOWS INCREASE; LIQUID RATIO UP

Inventories and Bank Loans Are Reduced—Costs Also Down

Great West Saddlery Co. sustained a net operating loss of $278,833 in the fiscal year ended June 30, after providing for all operation and administration charges, depreciation and bond interest. The previous year the loss was $144,796. The report was presented at the annual meeting of the company held in Winnipeg on July 21.

Despite the operating results, there was a reduction in current liabilities and in inventories. The ratio of current assets to current liabilities was increased to 5.61 to as against 4.94 to 1 at the end of the previous year and 3.88 to 1 at June 30, 1929. Current assets amount to $ 1,325,263 as compared with $1,687,403 in 1930, receivables are down to $655,106 from $706,723, after reserve for doubtful accounts, while inventories have been reduced to $694,332 from $967,842.

Current liabilities total $236,105 including a bank loan of $133,000. This is the lowest point for the company's indebtedness to the bank. In the 1930 report bank loans amounted to $269,000; in 1929, $389,000 and in 1928, $446,000. There is also a bank overdraft of $19,449 shown in the current report while bond interest payable and accrued totals $15,560.

In his report to the shareholders, A. G. A. Spence, president of the company, pointed out the depressed conditions in Western Canada and the reduced buying power in the area served by the company. A conservative policy is being followed, he said, and every effort made to keep the affairs of the company in liquid position. The company still faces very difficult merchandising conditions for the coming year and report states, collections are difficult to make and great care is being exercised in the extension of credit. The company is said to be in an efficient operating condition with operating charges lower than ever before.

WORLD AUTO CENSUS GAINS SLIGHTLY, 1930

Registrations at Jan. 1 up 2 P. C.—Countries Outside U. S. A. Gain 7 P. C.

An increase during 1930 of nearly 2 per cent in the world registration of automobiles is reported by the U. S. Department of Commerce. A census as of January 1, 1931, revealed a total of 35,805,632 cars, buses and trucks registered in 164 different nations, possessions, and dependencies, which represents a gain of 678,234 since the beginning of 1930. There is now one motor vehicle to every 54 persons in the world, as compared with 55 a year ago.

In spite of the world-wide depression, a decrease in registrations occurred in only 28 countries during 1930. In only one major market — Australia—did the number decline to any important extent, and there a reduction of 17,653 registrations works out to 3 per cent. In 30 of the more important markets registrations increased by 10 per cent or more. In the United States the increase was 43,948, equivalent to .16 per cent, while the increase in all other countries was 7.4 per cent, this condition being largely ascribed to the fact that the American automotive market has become predominantly a replacement market. It is also regarded as a significant indication of the opportunities for expansion of sales afforded by the other countries.

Canada ranked fourth by number of registrations with 1,224,098, conceding second and third places to the United Kingdom and France, although Canada and New Zealand tied for second place as regards the number of cars per capita, the ratios for both being unchanged at 1.8. The ratio in the United States came down from one automobile for every 4.59 persons as against a 4.87 ratio last year. Outside the U. S. the ratio was 1 to every 200 persons as against 1 to 216 at the beginning of 1930.

World registrations of commercial vehicles increased at a greater rate than passenger cars. The latter increased 1.3 per cent over the previous year's figure, while trucks and buses made increases of 4.8 and 13.4 per cent respectively. Outside the United States the number of passenger cars gained by 6.5 per cent, trucks by 8.1 per cent and buses by 18 per cent.

U.S. AFTER TEXTILE BUSINESS IN WEST

An exhortation to U. S. textile manufacturers, if they would procure a maximum volume of business from the growing western Canadian market, to revise their sales territory and institute direct sales representation therein, is contained in an article recently published by the U. S. Department of Commerce.

The article points out that American mills in some cases have included the entire Dominion of Canada in the sales territory of agents in New York or Montreal, while in other instances western Canada was assigned to agents covering the western part of the United States. Neither method, it is claimed, has been as effective as treating the western provinces as a separate sales district. "In fact," says the report, "it appears that any arrangement other than direct representation in these provinces is adverse to the interest of American manufacturers desiring to develop or retain a profitable outlet for their products in western Canada. Wholesale distribution of merchandise on a large scale has developed in western Canada since the war because it has been found more efficient and profitable than the former method of allowing the business to be handled by dealers in eastern cities of the Dominion. The distance between New York or Montreal and the eight principal retail trade centres that serve the western provinces tends to diminish American textile sales and to divert to the western representatives of competitors in this growing market."

It is further pointed out that manufacturers in eastern Canada have recognized these factors, and "in numerous instances the present and potential demand of the western provinces has been such as to warrant the establishment of branch salesrooms and warehouses, and, in some cases, factories."

The report strikes a note of regret, stating that while many wholesale dealers and commission agents in the textile trade in western Canada have been induced by business conditions and higher import duties to seek different lines of goods and new U. S. sources of supply, those of them who have endeavored to secure direct representation of "American" manufacturers say that their efforts have met with little success.

Automobile Industry

AUTO FATALITIES AGAIN HIGH IN 1930

Proportion Was 13 Deaths Per 100,000 Population —6.5 in 1926

Deaths reported throughout Canada from automobile accidents during 1930 numbered 1,289, according to preliminary figures issued by the Dominion Bureau of Statistics, at Ottawa. This figure compares with 1,300 in 1929, 1,082 in 1928, 865 in 1927 and 606 in 1926. The figure for 1930 gives a proportion of 13.0 deaths per 100,000 population. The corresponding rates were 13.3 in 1929, 11.2 in 1928, 9.1 in 1927, and 6.5 in 1926.

British Columbia had the heaviest rate of any province in 1930, 18.6 per 100,000, while New Brunswick was second with 17.0 and Ontario third with 15.6 per 100,000. Saskatchewan had the lowest rate, 5.8 per 100,000.

In the registration area of United States for the year 1929, the latest yet available, the rate was 25.4 per 100,000 population.

The following table gives comparative figures for the principal cities, though it is pointed out that deaths occurring in cities are not in every case the results of accidents taking place within city limits, as those injured outside of cities are frequently taken to city hospitals.

Deaths from Automobile Accidents

	1930	1929
Montreal	136	151
Toronto	68	107
Winnipeg	30	25
Vancouver	43	45
Hamilton	41	37
Ottawa	23	26
Quebec	17	17
Calgary	12	11
London	18	16
Edmonton	15	10
Halifax	6	14
Saint John	12	5

Deaths from Automobile Accidents by Provinces, 1929 30

	Number		Rate per 100,000 Population	
	1930	1929	1930	1929
P. E. I. ...	10	1	11.6	1.2
N. S.	54	61	9.7	11.1
N. B.	72	47	17.0	11.2
Quebec	838	323	12.4	12.0
Ontario	516	556	15.6	17.0
Manitoba ..	60	68	8.9	10.3
Sask.	51	56	5.8	6.5
Alberta	77	71	11.7	11.0
B. C.	111	117	18.6	19.8
Canada	1,289	1,300	13.0	13.3

TOURIST TRAVEL UP IN NEW BRUNSWICK

Gain of 27 Per Cent Recorded in June

From Our Own Correspondent

MONTREAL—Motor tourist travel in New Brunswick this year continues to show an increase over 1930. Statistics compiled by the New Brunswick Government Bureau of Information and Tourist Travel indicate an increase of 27 per cent in June, 1931, over the corresponding month last year.

The early opening of the highways in New Brunswick this year accounted for an unusual increase in motor travel during May. In June returns at 24 ports of entry along the international boundary, show that 12,586 cars came into the province for a period exceeding 24 hours and up to 60 days. In June, 1930, this figure stood at 9,903 cars.

Further Gains Recorded

The same returns by Canadian customs collectors show a wide increase in the number of cars coming into New Brunswick for a period of less than 24 hours, the figures for June, 1931, being 283,758 as against 216,533 in June, 1930.

Since the first of July traffic has been somewhat heavier than last year and indications are that motor tourist travel in New Brunswick will this year exceed the record created in 1930.

Bank Deposits Made Without Leaving Auto

Recent changes in the parking rules near the Peoples State Bank of Indianapolis, Ind., so affected the trade of that bank that a special automobile lane and deposit window has been arranged to care for the patrons who come to the bank by auto, according to American Banker. The depositor drives alongside the window, presses a buzzer button and, without leaving the wheel, deposits his bank book and funds in a special receptacle. From this it is removed by the teller who enters the credit and returns the book all in the space of a few seconds.

Since the window was first opened, several weeks ago, there has been a gain of over 700 per cent in deposits received, it is said. A goodly per cent of this is new business to the bank.

To assist the banks' clients in using the quickest and most convenient routes to the automobile deposit window, a card containing a diagram of the immediate streets in the vicinity of the bank is being distributed by the institution. Arrows carefully mark the correct route to take.

At the window there is provided an amplifier to facilitate the conversation between bank employee and patron.

New Bus Terminal for Toronto

A new bus and motor-coach terminal building is now being erected by the Toronto Transportation Commission in down town Toronto, at a cost of 250,000. The new terminal will occupy about three-quarters of a half-block of land at Bay and Dundas Streets. Completely enclosed concrete loading platforms will be a feature of the new terminal, which will also include spacious and comfortable waiting rooms and conveniences, refreshment and news stands, and a complete servicing and repair shop—all under the same roof. It will be operated as a union for T. T. C. and other coach lines operating out of Toronto.

North American Life Doubles "Repeat" Sales

Business secured from old policyholders by the North American Life Assurance Co. during 1930 amounted to 28 per cent of the total business written, being just double the percentage obtained from this source in 1926.

This increase is the result of an investigation by the company's research bureau and the introduction of a policyholders' service card system in 1927, instituted after a survey of a large number of insurance companies in Canada and the United States. This survey revealed a wide difference in the amount of business being secured by the various companies from old policyholders. The largest companies had the greatest percentage of "repeat" business, and one company was found to have been obtaining over 50 per cent of its total yearly business from its policyholders.

Since the introduction of the service card system the North American Life has experienced an annual increase in the amount of repeat business and the company hopes this year to achieve their objective of 50 per cent of the total insurance written.

Kootenay Apple Crop Estimate

The Provincial Government Horticulturist estimates the apple crop in the Kootenay and Arrow Lake districts of British Columbia at 93,000 boxes as against 76,000 boxes last year.

Number of Autos Available to June 30 Declined 35 P.C.

Production of automobiles in Canada during June numbered 6,835 cars, which figure includes 1,252 trucks. This represents an output rate of 228 cars per day which compares with a daily average for May of 411, and for June a year ago of 503 cars per day. Production in June reached a new low point at 68 per cent below the normal as computed by Dominion Bureau of Statistics, for the period 1919 to 1928 inclusive.

Cars imported into Canada in June numbered 647, while the number exported was 1,084.

Of the total June output, 5,720 cars were made for sale in Canada and the balance for export. The apparent consumption during the month, determined by adding to the number made for domestic sale to the 647 imported, was 6,367 cars.

For the six months ended June 30, the number of new cars made available for use in this country was 64,341 compared with 103,009 in the first half of 1930.

WORLD PRODUCTION OF AUTOS DECLINES

World production of automobiles, according to the best available information from the 17 producing countries, totalled 4,109,231 units, a decrease of 2,168,220, or 34.6 per cent below the record output of 1929.

Of the world total for 1930 the United States produced 81.6 per cent and Canada 3.7 per cent. Last year the proportions were 85.3 per cent and 4.2 per cent respectively, so that it is evident that other producing countries combined did not suffer so drastic a curtailment in output. Indeed, comparative figures show that some made gains, notably England, where production rose from 233,925 to 235,676 units. This increase was due to a 20 per cent expansion in the production of trucks, the number of passenger cars falling about 5 per cent below the 1929 output to 169,099. Other countries reporting gains, though their contribution to world supply is too small to make comparisons valuable, were Czechoslovakia, Russia (which increased from 1,706 to 4,425 units), Sweden, Hungary, Poland, Japan and Denmark.

Total exports by the world's producing countries in 1930 were reduced by 51 per cent to 373,731 units, while imports into the 16 producing countries dropped from 235,774 to 138,288 units. Czechoslovakia was the only country to increase its exports over 1929 figures.

Aetna Casualty Offer New Automobile Policy

The Ætna Casualty and Surety Co. has just introduced a new automobile policy known as a "comprehensive liability policy." Designed primarily to meet the requirements of the various state financial responsibility laws, the new policy covers claims on account of both personal injury and property damage. Several covers, hitherto obtainable only by endorsement, have been incorporated in the body of this contract and a number of new provisions have been added.

This policy covers the named assured for the operation of any private passenger automobile, including any which the assured may borrow excluding, however, hired cars or cars regularly furnished by an employer, or borrowed from a member of the assured's family. Additional assured are covered for the operation of any car described in the policy.

Michigan Takes Census of Canadian Tourists

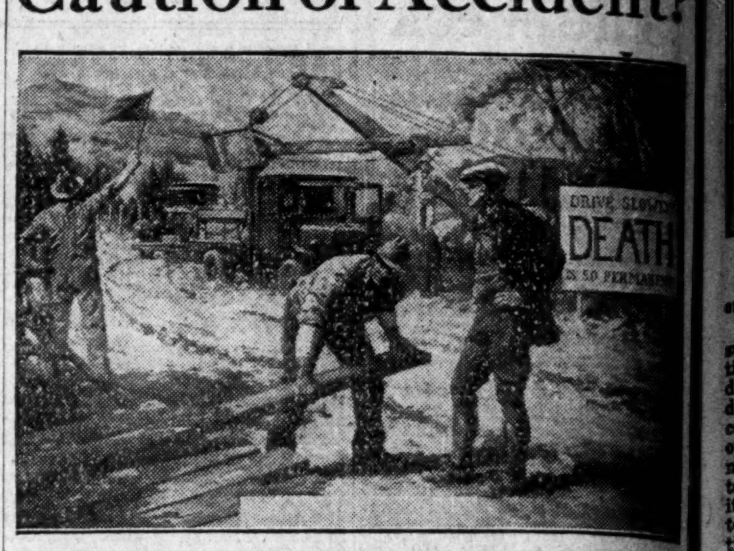
Michigan State Highway Department is making the first attempt of any border state to take a census of tourist traffic from Canada. This is being conducted as part of a year's survey of the origin of motor traffic, started last July, in co-operation with the Bureau of Public Roads, U. S. Department of Agriculture.

Chief purpose of the survey is to determine how much of the cost of township and county roads in Michigan should be paid by local taxpayers and how much should be spread over the State.

Stations have been established at more than 1,100 points on the trunk line, county and township highways. The census will include motor trucks from neighboring states and Canada, classified under those up to 2½ tons and those over 2½ tons.

Observers hand to drivers of passenger cars, addressed post-cards, bearing questions as to the number of persons in the car, the length of the day's drive, probable length of visit and so forth, with a request that they be filled out and dropped into a mail-box.

Caution or Accident?



The grim warning "Drive Slowly, Death is so Permanent!" has been heeded by thousands of drivers over dangerous roads.

On this continent accidents are now the largest single cause of the Crippling, Dependency and Destitution which call for relief.

Here are listed the twelve most frequent means of accidental injuries in the order of their fatality:

1. Automobiles
2. Falls
3. Drownings
4. Burns
5. Railroads
6. Poisonous Gases
7. Firearms
8. Machines
9. Mines and Quarries
10. Fires
11. Poisons
12. Suffocations

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ACCIDENTS took over 100,000 lives, caused approximately 10,000,000 more or less serious injuries and cost more than $1,000,000,000 last year on this continent.

Among those killed by accident were 18,000 children under fifteen years of age.

No one knows how many accidental injuries and deaths are due to uncontrollable circumstances. Nevertheless, how many of the accidents which happened to members of your family or your friends — accidents which you know all about—could have been avoided?

Last year there were about 46,000 fatal accidents in homes and in industry. Elsewhere there were about 54,000 accidental deaths. Among the latter group 32,500—motorists and pedestrians—were killed by automobiles.

But while the tide of accidents is steadily rising, there are some bright spots in the dark record.

Better traffic regulations in a large number of cities are reducing the percentage of street accidents and the toll of killed and maimed children.

Police officers and school teachers are training children to be careful. Safety appliances and methods installed by the foremost industries are saving many lives.

But systematic accident prevention in homes has hardly begun.

Falls in homes caused approximately 8,000 deaths last year; burns, scalds and explosions 5,400; asphyxiations 3,600 and fatal poisonings 2,000. Much remains to be done to check home accidents caused by recklessness and thoughtlessness.

The Metropolitan Life Insurance Company urges you to send for its free booklets on accident prevention. Ask for Booklets 7F31.

METROPOLITAN LIFE INSURANCE COMPANY
FREDERICK H. ECKER, President
CANADIAN HEAD OFFICE • • OTTAWA, CANADA

Ontario's Fire Loss $7,000,000 in Five Months

Report of the Ontario Fire Marshal shows that from January to May, inclusive, fires in that province numbered 6,447 having an insurance loss of $5,545,434. This represents an increase over the same five months last year of 408 fires and $1,533,875 in insurance loss.

During May this year there were 1,310 fires, one less than in May a year ago, though the insurance loss was $358,098 heavier. Total loss from fire in May, 1931, was $1,397,741, while for the five month period the loss was $7,026,029.

NOTICES

Private Company Charter One Man Control
FOR SALE

This is one of the most unique and sought after charters ever issued by the Province of Ontario.

Under its provisions and by-laws, one man, the President, may constitute a quorum at any directors' meeting, and, as a result, possess absolute control of the company's affairs.

The charter also gives the company power to engage in an almost unlimited range of business activities.

For the man of wealth who wishes to retain, under any or all circumstances, the complete control of his real and personal property, this charter is perfect.

No more charters of this kind will be issued, and for obvious reasons, no others of a similar type are likely to be offered for sale.

Principals only.

BOX 283, THE FINANCIAL POST, TORONTO.

PUBLIC NOTICE

WHEREAS on the 24th January, 1929, it was proclaimed by His Excellency the Governor in Council under the provisions of Section 3 of the Act 8 and 9, George V., Chapter 15, that all minerals situate within the boundaries of that area bounded on the North West by a straight line drawn from Hampden, White Bay, in the District of White Bay, to Main Gut, Bay St. George; and on the South East by a straight line drawn from Lewisporte, in the District of Lewisporte, to the mouth of White Bear River, White Bear Bay, in the District of Burgeo, not held by any person under a mining license, lease or grant and not at that date the subject of an application for a license therefor under the provisions of the Crown Lands Acts, be reserved from the operation of the Crown Lands Acts until further notice;

AND WHEREAS the Governor in Council has thought fit to rescind such reservation by his Proclamation issued under date June 2nd, 1931;

NOTICE IS HEREBY GIVEN that on and after the 4th July, 1931, this Department will be prepared to issue Miners Permits, and to accept applications for and issue Certificates of Record over the said territory.

J. F. DOWNEY,
Minister of Agriculture and Mines.
Dept. of Agriculture and Mines, June 9, 1931.

The Western Savings & Loan Association
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H. G. Wood
has been appointed Manager of this Company
at Saint John, N.B.

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STOCKS and BONDS
INSURANCE—FIRE, HAIL, CASUALTY, etc.
MORTGAGE INVESTMENTS
2

Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Burns & Co.

Can you give me some information on Burns & Company's recent record?

Burns and Company has been suffering from the adverse conditions in Western Canada. The reduced income of agricultural producers has seriously affected the company's business. It has had to operate against declining commodity markets and falling inventory values. The company's profits in the year 1928 were sufficient to cover interest on bonds three times, more than cover preferred dividends and to allow approximately $2.42 per share on the common stock, which was placed in surplus account instead of being disbursed in the form of dividends. In 1929 earnings were smaller and bond interest was covered a little more than twice, preferred dividend was just covered, and there was a small balance in surplus account.

In 1930 the company just earned its bond interest without any allowance for depreciation and it earned practically nothing toward the preferred or common shares. The president of the company was able to report that for the first quarter of 1931 the net result was slightly better than in the similar period of 1930, although gross sales were down. This indicates that a rigid policy of economy is being adopted. Nevertheless, the Western prospects are not promising and the company may go through two or three years of rather difficult conditions. Its business is well established and the past earnings record is good. The large increase in the first mortgage bond issue at the time of the reorganization in 1928 is a heavy burden for the company to carry at the present time.

Canada Steamship

Is Canada Steamship Lines making any progress this year? I hold some of the bonds and have considered purchasing some more. What is the return on the six per cent issue today?

Through reduced operating costs, Canada Steamship Lines has been able to report better conditions in the first five months of the current year, as compared with the same period in 1930. The situation in grain transportation, the company's main source of revenue, is still unsatisfactory and until this improves the outlook must be considered rather indefinite. Earnings last year, after depreciation, were not equal to interest requirements; current quotations on the 6 per cent bonds indicate a yield of 11 per cent.

The Copper Situation

What is your opinion of the copper situation and its effects upon copper stocks, International Nickel in particular?

The best opinion in regard to the world copper situation is that while stocks are gradually being liquidated and the technical position of the copper market is being improved by the shutting down of many of the marginal, low grade mines that complete balance between available supplies and current rate of consumption has not been achieved. The usual experience is for the copper stocks to be rather late in participating in a period of rising stock market prices. The particular popularity of International Nickel and the extent of its industrial operations as well as its control of such an important metal as nickel would probably exempt it from this experience. While there seems to be no particular hurry to get into the copper stocks generally, International Nickel is already regaining quite a large part of its following.

Canadian Vickers

Among my holdings are some first mortgage bonds of Canadian Vickers. Do you consider that interest payments are safe? Is the company making progress

One of the features of Canadian Vickers first mortgage bonds is the fact that the Dominion Government subsidy of $105,000 annually is assigned under the trust deed as security for the issue. Bond interest requirements last year were $162,508, so it is seen that the Government subsidy, which expires in 1948, nearly covers interest charges. Aside from this, however, earnings of Canadian Vickers showed a marked improvement in the fiscal year ended February 28, 1931, and bond interest was covered 2.71 times, after depreciation. The company has made some constructive changes in its operating policies, costs have been cut, and production is now on a more efficient basis.

Corporate Steel

As a reader of The Financial Post, I would be obliged if you would give me some information on Western Steel Products. Has this company moved forward in recent years? What do you think of its outlook?

Corporate Steel Products, which now controls Western Steel Products, has undertaken expansion in the last year or two. A new plant has been erected in Montreal, while a business was acquired in Ottawa recently, giving the company a foothold in that territory. The company, through this expansion, now operates eleven plants in Eastern and Western Canada, output is well diversified, and it is understood that several substantial contracts are on the firm's books.

Abitibi Power

Among my holdings are some five per cent first mortgage bonds of Abitibi Power & Paper Co. Can this issue be regarded as absolutely secure; I understand the company did well in 1930.

The 5 per cent bonds of Abitibi Power and Paper Co. gives a return of about 9.75 per cent at current prices, an indication that investors are somewhat doubtful of the future. There is little encouragement to be seen in the newsprint industry in the near future, though it would appear that further price-cutting will not be undertaken. Abitibi earned its bond interest twice over, after depreciation, in 1930, but since that time there has been a further reduction in prices and consumption has fallen off. This has found reflection in the passing of preferred dividends; the situation surrounding the bonds cannot be considered entirely satisfactory until there is some betterment in the newsprint situation.

Brewing Corporation

As a holder of Brewing Corporation of Canada stock I would be glad if you would give me some information. What the company sends out is evidently whitewash. There must be something wrong other than decreased earnings or they would not have had to cut the dividend off entirely.

Our understanding is that Brewing Corporation of Canada lost money during the first five months of the year. While this was the period prior to the months that are usually the most profitable of the year, such a showing represented a drain upon the company's liquid resources and the directors were no doubt justified in eliminating the dividends until substantial profits are being earned.

Several of the companies that went into the Brewing Corporation merger were already in financial difficulties when the merger was affected. We do not know which of the companies you were formerly interested in, but if for instance it was Carling's you are probably no worse off today than you would have been if you had held Carling's stock and there had been no merger and it is quite possible that you are much better off.

There are too many breweries in Ontario and the per capita consumption of beer is very small in the province. Given a return of better business conditions and a continuance of its policy of cutting expenses, the company may be able to return fair dividends to the stock holders. Obviously of course, real prosperity waits upon a change in the legislation regarding liquor sale in Ontario. The company would benefit greatly were permission to be granted for the sale of beer by the bottle in restaurants and hotels, or at retail through grocery stores as in the province of Quebec. We have no forecast to make as to the likelihood of such action.

Royal Trust

I should appreciate your opinion on depositing part of my life's savings with the Royal Trust Company against the company's guaranteed investment receipts. I am a working man past middle are.

The Royal Trust Company is one of the outstanding financial institutions in Canada, and we would consider their guaranteed investments to be quite suitable for a person in your position.

Atlantic Sugar

I bought some shares of Atlantic Sugar Refineries last year and am wondering whether I should hold on to them. Do you think a dividend will be paid soon?

Conditions in the sugar refining business in Canada are improved this year and we understand that the sugar companies are maintaining the progress made in 1930. The sharp appreciation in shares of Atlantic Sugar last year was due to keen bidding in the stock market; as you know, a new group secured control of the common stock. There is no indication that a dividend will be paid on these shares for some years, despite the improvement in the company's business. There are restrictions surrounding the bond issue which preclude a payment on the preferred stock for at least three years.

Baird Television

Can you give me some information on Baird Television, an English company?

We are sorry to have to say that our investment enquiry service does not cover any securities other than Canadian. We find it possible to keep well informed on Canadian corporations in which there is an investment interest but we frankly do not undertake to study the ins and outs of the hundreds of thousands of non-Canadian corporations and their securities.

For that reason we cannot answer your enquiry regarding Baird Television Limited.

Common Stocks

Do you consider this a good time to buy common stocks? Do you consider the following safe buys with good prospects of increasing in value in the near future?

Consolidated Industries is doing very well this year, according to preliminary profit figures given to us. There is a good prospect that the company will show earnings better than in the last fiscal year when over $4 per share was earned. Of course, business conditions throughout the remainder of the year and tendencies in the radio field will have an important bearing on profits. The company is at present subject to the hazards of the radio industry to a marked degree, as its policy of expanding into other fields and thus obtaining greater diversification will take some time to work out. Consolidated Industries is well managed and it has every opportunity of doing exceedingly well for its shareholders in the future.

Kelvinator has been enjoying a better year. Net profits show an increase but the earnings record to date suggests that the company has some distance to go yet before its preferred dividend can be considered as protected by the earnings of the Canadian company and before substantial value can be put behind the common stock. At the present time the preferred dividend is guaranteed by the parent company in Detroit but the stock would enjoy a better market if this guarantee were neither an actual nor a potential factor. The common stock is still rather speculative.

Hunts has shown good earnings over and above its common dividend, and it gives a good yield at the present price. The steady gain in sales and earnings was not interrupted materially during 1930. The stock enjoys a somewhat limited market and the business is local in character as most of the stores are in Toronto. These factors may prevent the stock gaining as rapidly in the next period of stock market advance as some better known issues but the record of the company to date gives considerable promise for the future.

Dominion Stores is showing good progress and the stock is very highly regarded by investment analysts. The company should steadily gain in importance and its shares have many attractions as a speculative investment.

Simpson's Limited 7% bonds are amply protected by earnings to date and may be bought with some degree of confidence.

Metropolitan Building has had recently a good record of rentals. Office buildings have not yet been seriously over-built in Toronto and we see no reason why the bonds should not remain a suitable investment.

Generally speaking we consider that well selected common stocks may gradually be accumulated during the present period of stock market depression for substantial profits that will not be fully enjoyed except over a term of a few years.

Bonds or Stocks

Could you advise me as to the investment of $2,000? Do you think it is better to put this sum in Dominion bonds or some Canadian corporation stocks which yield a fair dividend at present prices and that are likely to appreciate in a year or two?

Prescribing investments is very much like prescribing medicine. One must have all the attendant facts. The investments selected must be made to fit the circumstances of the buyer. That is why The Financial Post does not attempt to make up lists of securities for its readers. By correspondence we cannot obtain all the information that one would require to draw up the soundest recommendations. However, we are always glad to comment on individual stocks that may be selected by an investor or recommended to him by an investment banker, stockbroker, or other adviser.

Generally speaking, we feel that the very soundest Canadian corporations preferred and common stocks purchased now, will in the course of a few years show substantial profits to purchasers. No investment, however, can be bought and forgotten. The only type of security that an investor should lock up and forget about are securities that seem to be worthless now. If you are not in a position to follow your Canadian investments closely you would be wise to stick to the highest class of gilt-edged bonds, but if you are prepared to pay attention to the record of the companies in which you invest and to get occasional reviews of the list from an investment banker, from your own banker, or from this department of The Financial Post, there is no reason why you should not select some of our leading preferred and common stocks for your list.

Premier or Beauharnois

What do you think of a switch from Premier Gold to Beauharnois A common? I have been advised to buy Beauharnois for a big rise in the near future.

There is so much difference between Premier Gold and Beauharnois common that one cannot logically compare them.

Premier Gold is a well managed, aggressive mining organization that is yielding a very high return. Its chief property is dwindling out, but the company is well fortified with cash and is making a strong effort to find new properties. There are interesting speculative possibilities in such a situation. If the company does not find a new property the present high return will prove to be something of an illusory advantage, but being backed by the American Smelting and Refining Company Premier's position is interesting to the mining speculator.

Beauharnois common undoubtedly has a big future if the company is able to complete its programme without running into financial or legislative difficulties. There are many speculative elements in the situation yet, and the common stock may turn out to be anything from worthless to one of the great power stocks of the continent.

Fraser Companies

Do you know if the debenture holders of Fraser Companies are forming a committee? I would also be obliged if you could give me some information on current operations.

Our understanding is that there is no committee acting for the holders of Fraser Companies' debentures; we have heard of no steps being taken towards the formation of such a body. Operations of the company have been on an improved basis this year though the depressed state of the lumber and pulp market does not lend much encouragement to the immediate future. As you know, interest charges of Fraser Companies are heavy and it is possible that some steps may be taken to bring the capital structure more in line with earning power. No figures on earnings have been published during the current year; operations in 1930 resulted in a deficit, after all charges, of $4,219,470.

Consolidated Smelters

Among my holdings are some shares of Consolidated Mining and Smelting Co. of Canada. I understand that earnings have dropped sharply this year, that the company's reserves are depleted and that the outlook is not bright. Do you look for an improvement? Is the company's subsidiary, West Kootenay Power Co. doing well?

A material improvement in the situation surrounding Consolidated Mining and Smelting Co. depends upon metal prices. Any upward movement in the metal market, especially in zinc and lead, will find quick reflection in earnings of Consolidated Smelters; forces are gradually working to bring about a betterment in commodity prices.

The company has great potentialities; whether you hold on to your stock depends largely on how long you are prepared to wait for an improvement in conditions. As one of the greatest mining companies in Canada, it is reasonable to assume that Consolidated Smelters will make further headway when metal prices strengthen. The company does not issue any figures on earnings during the fiscal year; it is doubtful, however, if profits are up to last year's level, when they were equal to $4.43 a share as compared with dividend disbursements of $12.50. The balance sheet at the end of 1930 indicated a decline of over $1,000,000 in cash but this does not signify that the company's reserves are depleted. Working capital totalled $13,776,509. West Kootenay Power and Light Co. recorded higher earnings last year and a dividend of 15 per cent, the first since 1922, was paid on the common stock which is entirely owned by Consolidated Smelters.

Gatineau Power

I have considered buying a 6 per cent debenture of Gatineau Power Co. I do not want to do this if the company is not making headway and would like your opinion as to the outlook.

Gatineau Power Co. has made progress. Earnings during the current year have shown an increase. Interest charges were fully earned in the first quarter of 1931, and output reflected increased deliveries to the Hydro-Electric Commission of Ontario. Further gains in deliveries may be expected on October 1, when the company's contract with the Commission calls for an increased load. A substantial portion of total output is contracted for on a long-term basis.

International Power

In what light would you consider an investment in the debentures of International Power Co.? I have thought of buying a small block, though I realize the yield is relatively high.

International Power Co. has carried out expansion work in recent years. Earnings, however, have not shown much improvement though they have been sufficient to cover interest charges by a fair margin. Eventually it may be expected that additions to property will find a more appreciable reflection in profits; during the current year there has been a slight gain. As you probably know, the company's operating properties are well diversified as to location.

Western Steel

Will you please advise us if you think the following two bonds are a good investment. We are interested in a fair rate of interest, and also good security. We hold sufficient government bonds and debentures for a business reserve, and at present have some surplus cash which we want to invest safely.

Western Steel Products 6 per cent mortgage sinking fund gold bonds, series B.

Maclaren-Quebec Power Co. thirty year 5½ per cent first mortgage sinking fund bonds, series A.

Will you please advise us if you think it safe to invest $5,000 in each of these. Or would it be advisable to invest half of this amount in other bonds, or good common stocks?

Western Steel Products bonds are well covered as to earnings. In 1928 Western Steel Products earned its bond interest 15 times after depreciation and in 1929 ten times. In 1930 the company was part of the Corporate Steel Products and earnings of the company after depreciation were sufficient to cover bond interest 3.6 times. This shows a declining earnings ratio which may be explained by the rapid expansion of the company, the falling off of business in the Western provinces, and the necessity of taking losses on inventories and debts. The company is well managed and well sponsored.

While MacLaren Quebec Power Company has not an established record of earnings yet, the contract it has with the Ontario Hydro-Electric System is sufficient, it is estimated, to cover the bond interest requirements one and a half times without allowance for additional blocks of power that may be sold. Under these circumstances, the bonds must be regarded as affording a substantial measure of protection.

Purchase of common stock for a business reserve is a thoroughly proper proceeding especially in these times when equities may be purchased at bargain values. Investments should be restricted to the leading type of securities for which a very substantial market exists. While there are many good securities that could be purchased, securities of the type of British American Oil, Shawinigan Power, Steel Company of Canada, Ford of Canada, etc., are the best Canadian common stocks for a business reserve.

If the funds are to be invested for a very short period it is best to stick to Dominion of Canada securities or short-term issues of the provinces and cities. If the reserve is of a more permanent nature corporation bonds and common stocks may be purchased not only for their higher yield, but for some appreciation in value.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Noranda

When do you think that Noranda will start paying dividends? Is the stock worth holding?

Noranda will doubtless start paying dividends as soon as the general situation clarifies. At the annual meeting J. Y. Murdoch intimated that dividends might be considered in July if the copper situation did not get worse. Since that time copper has declined and it is, therefore, doubtful if consideration will immediately be given to the payment of dividends. The company is earning between $1 and $2 per share, but is conserving its cash rather than dissipate it in dividends owing to the uncertain position of the copper industry.

With the long term outlook in mind Noranda has many attractions as it is a low cost producer and its gold content is reported as paying its present operating costs. It is a stock that is subject to considerable market activity, and at the present time is selling beyond its indicated current earnings, but if you hold the stock outright and purchased it for its ultimate yield, indications are that you will be rewarded.

Premier Gold

I hold 1,000 shares of Premier Gold for which I paid $1.01. In view of the present weakness in this stock would you advise me to sell and take the present loss or do you think that there is a good possibility of dividends being paid for some time yet with a good chance of appreciation in the present value of the stock?

Premier Gold Mining Co. is one of the best managed properties in British Columbia. The present weakness in the stock is due to declining production of the property and the fact that dividends have been reduced. Regardless of this, we regard the operations of the company in a very favorable light as they are very aggressive and well financed and enjoy exceptionally capable management active in prolonging the company as a profitable mining enterprise. They have several properties under development, but it is too early to determine the potentialities at the present time. In view of the dividend paid and the speculative attractions of the company, we would hesitate to advise you to dispose of your holdings.

Homestead Oil & Gas

We do not appear to have any record of Homestead Oil and Gas and shall be glad to receive any information you can give.

Homestead Oil & Gas Co. Ltd., is a promotion of Leo Erenhous and associates, of Toronto, connected with many mining promotions. The company was incorporated to develop potential gas acreage in Northern Pennsylvania where it acquired leases on approximately 5,000 acres. The most valuable lease is on the Hughe farm, a 257-acre tract jointly owned by Homestead and a subsidiary of the Standard Oil Co. The area is receiving considerable attention and quite a bit of drilling is under way. The Meaker well recently brought in adjacent to the Homestead holding is reported to be one of the best wells in the area. In addition, Homestead has one-half interest in the Mosherville acreage. It also owns 150,000 shares of the 500,000 shares authorized of Pentoga Gas Corporation.

The authorized capitalization of Homestead is 500,000 shares of which 400,000 have been issued.

Recently Homestead brought in two gas wells reported producing to be commercial producers. The stock has been subject to a great deal of activity on the Standard Stock Exchange which is commonly regarded as being due to manipulation.

San Antonia: Parkhill

I would very much appreciate your opinion on the prospects of San Antonio. I am informed that this mine has some rather valuable ore, assaying about $13.50 per ton, and that the company is erecting a mill. Some time ago I wrote you on this mine, and I value your comment. I would like, however, to be kept informed of the progress, or otherwise. I have 1,000 shares of the stock at 23 cents. Do you think a further commitment advisable?

San Antonio Mines is endeavoring to finance in order that operations may be continued and a 100-ton mill constructed. The latter part of February shareholders ratified an increase in the capitalization from 4,000,000 to 5,000,000 shares and it is planned from the sale of these additional shares to obtain funds with which to carry out further development and construct a mill. A total of 61,000 tons of ore has been indicated assaying $13.35 per ton in gold. While this is far from sufficient to warrant mill construction, officials believe that additional ore may be proven, and it is their intention to use the proceeds from milling operations to carry on further development. At the present we see little attraction in making further commitments in the stock.

Crudome Oils

I would appreciate any comment you can make on Crudome Oils Ltd. What are the details of capitalization?

Crudome Oils Ltd. is a promotion of J. H. McCorkindale, of Nickel Hill fame, and associates, Toronto, who is managing director of the company. It has an Ontario charter with an authorized capitalization of 1,000,000 shares of no par value, 300,000 shares of which were issued to vendors of leases and from 50,000 to 60,000 shares of which have been sold to the public to finance operations. The company owns extensive leases in the Athabasca Tar Sand area about 46 miles north of Athabasca Landing in Northern Alberta. The company has recently purchased a derrick and drilling equipment and plans to start drilling at once. The company has no liabilities and that the value of the drilling equipment and derrick has been appraised at $11,500.

The operations of the company are necessarily of a very speculative nature as they are pioneering drilling in an area not favorably regarded by most geologists and only drilling will prove up the potentialities of its holdings.

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As competitive buying should presently eliminate many of the bargains now available in sound corporation securities, we have prepared a list of such securities which we consider undervalued by the market.

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HARVARD REPORT REVIEWS POSITION OF CHAIN STORES

Warned Against Unprofitable Services Unless Expenses Can be Cut

Chain grocery companies in the U. S. A. in 1929 took 8.8 cents less out of the consumer's dollar for expenses and profits than did wholesale and retail grocers together, but older chain groups will have to avoid being forced into giving unprofitable services unless greater economies can be effected, according to a report on "Expenses and Profits in the Chain Grocery Business in 1929," by Professor Malcolm P. McNair on behalf of the Harvard Research Bureau.

The survey included 33,000 stores operated by 82 companies in which the consuming public spent approximately $2,000,000,000 in 1929. The average gross margin taken by the chains in the transaction was 19.4 per cent out of which 18.2 per cent was for operating expenses and 1.2 per cent for profit.

Costs Split Up

Payroll and rent accounted for 2/3 of all operating expenses, which averaged:

Payroll	10.30%
Rent	2.30
Depreciation	0.60
Supplies	0.75
Light, heat, power	0.45
Ice and refrigeration	0.30
Repairs	0.15
Insurance	0.20
Taxes	0.15
Advertising	0.75
Misc.	1.50
Interest	0.75
	18.20%

Although expenses of chains with 50 or more stores were higher by 1.4% of net sales than those of small chains with less than 10 units, higher gross margins enabled the former group to show double the profit ratio. Similarly, a small group of 21 chains, each with more than 500 stores with an operating expense of 18.5% earned 2.8% on net sales or 2 1/3 times average.

That increased gross margin is clearly shown. Chains doing less than $750,000 annually averaged 18.5% gross margin against 20.5% for those doing over $5,000,000.

Self-service stores of the Piggly-Wiggly type showed expenses lower by almost 3% of net sales, chiefly accounted for by savings in payroll. They also had higher average sales per store and more rapid turnover of stock, but profits were less favorable, gross margin being 4% below average.

Turnover at the rate of 12 times or more yearly produced the lowest expense percentage, 17.2%; when it slowed down to less than 8 times, expenses increased to 19.3%. Small chains reported the highest rate of turnover, 12 times, while chains of 50 of more units had an average turnover of only 9.1.

Inevitable comparison is made with the older system of wholesaler-retailer distribution in the study, and while it is admitted that no definite conclusion can be reached until there are more accurate figures available for this group, Professor McNair says that generally speaking the chains do offer the consumer a cheap product. He goes on to say:

"In making comparisons of the figures for grocery chains on the one hand and wholesale and independent retail grocers on the other, a cardinal point to be borne in mind is that the percentages of margin, expense and profit for wholesaler grocers are not directly comparable with those for retail grocers. Gross margin figures afford the simplest basis of comparison, since they represent the spread between net sales and the cost of merchandise and therefore constitute in the bread economic sense the cost of the distributive functions performed."

The survey showed that the retailer's gross margin was 18.5 per cent of net sales, or 18½ cents of the consumer's dollar; 81.5 per cent therefore represented the wholesaler's sales. The wholesaler's gross margin or spread for 1929 was found to be 11.86 of net sales, which in terms of the consumer's dollar is 11.86 per cent of 81½ cents, or approximately 9.7 cents. This, added to the retailer's gross margin of 18½ cents, makes a total spread for the wholesaler and retailer combined about 28.2 cents of the consumer's dollar, or, in other words, 28.2 per cent of the retailer's net sales.

The report is summed up by Prof. McNair in the following conclusions:

1. That chain grocery companies in 1929, to cover their costs of doing business and their profits, took out of the consumer's dollar approximately 8.8c less than did wholesale and retail grocers together.

2. That for the larger chains, which were more likely to represent a complete combination of the wholesaler-retailer functions, this difference was approximately 7.7c in favor of the chains.

3. That chain grocery companies buying merchandise at the same net cost as wholesale grocers typically could have sold for approximately 92 cents the merchandise which the independent retail grocer, buying from the wholesaler, would normally have had to sell for $1.

Few Investors To Feel Effects of Trade Pact

New Australian Treaty Still Leaves Many Obstacles in Way of Canadian Manufacturer

A few Canadian companies in which there is public investment interest should benefit directly by the new Australian trade treaty, according to a preliminary survey made by The Financial Post, but for the most part these benefits will not accrue until many trade barriers now existing are removed.

Accurate information is difficult to obtain in many cases because there have been many changes in actual Commonwealth tariff rates in recent months and the present position of many Canadian manufacturers as regards that market is still in doubt.

Just how high are the tariff barriers to that country in spite of the new preferences gained for Canada under the new treaty, may be indicated by the fact that even if the tariff rate on exports from Canada were only 25 per cent, an Australian importer would have to pay an impost of 100 per cent by the time adverse exchange rates and so forth were added. This is quite apart from the special luxury tax of 50 per cent which still applies on many lines.

The way in which the 25 per cent tariff would be stepped up to 100 per cent is explained as follows: Suppose the selling price of the Canadian product was $100. Before computing the regular tariff rate of 25 per cent, the commonwealth adds 10 per cent to invoice value which would bring the total to $137.50. Due to adverse exchange rates of 30 per cent this would cost the Australian importer $178.75 to which must be added a 10 per cent primage duty and a 6 per cent sales tax which brings the final cost to approximately $199.

Some companies that would seem to be in a position to reap some benefits are:

B. C. Packers—canned salmon.

Durant and Ford Motor Co.—assembled and unassembled chassis (as soon as the present 50 per cent surtax is removed.

Brantford Roofing—roofing felt, etc.

Canadian Paperboard, Hinde & Dauche—strawboard, millboard, etc.

Page-Hersey Tubes—iron and steel tubing (when high tariff announced July 1, is removed).

Gypsum, Lime & Alabastine, Canada, Ltd.—Wallboard.

Many Benefits Obscure

Other types of companies that are supposed to gain according to the benefits of the new treaty enumerated by Hon. H. H. Stevens, are Canada Cement Co, Canada Biscuit, General Steel Wares, Canadian General Electric, Canadian Westinghouse and English Electric, but the items affecting trade possibilities for each of these companies are apparently still in doubt and no satisfactory information as to position of these companies can be obtained as yet.

The individual tariff items which should open a new market to the firms listed above are as follows:

AUSTRALIAN TARIFF RATES UNDER NEW AND OLD SCHEDULES

	New Grouping	Former Grouping		—Actual Schedule— B.P.	Int.	Gen.
Salmon	B.P.	B.P.	New Rate	2c.	3c.	8c.
			Old Rate	2c.	3c.	5c.
Chassis* (1) unassemb.	Int.	Int.	New Rate	free	15%	32½%
			Old Rate	free	22½%	27½%
(2) assembled	Int.	Int.	New Rate	5%	35%	45%
			Old Rate	5%	35%	40%
Millboards	B.P.	Gen.		free	5%	15%
Strawboards	B.P.	Gen.		2s.	2s. 6d.	3s. 6d.
"Other" boards (viz. Gyproc etc.)	B.P.	Gen.		25%	30%	40%
Roofing felt, etc.	B.P.	Gen.		30%	35%	40%
Tubes, iron, steel	B.P.	Int.		40	55	60
Enamelled ware	B.P.	Gen.		50	55	60
Confectionery	B.P.	Gen.		3d. or 45%	3½ or 55%	3½ or 55%

*At present a surtax of 50 per cent applies in addition to above rates. This is an emergency measure however and it is expected it will be removed in the near future.

Tamblyn Sales Quota is Being Maintained

G. Tamblyn, Ltd., reports that sales for the first six months of the current fiscal year showed an increase of $122,728 over the corresponding period in 1930, and officials of the company consider that while the gain may not be spectacular, it is fairly satisfactory under the circumstances. This improvement in business has enabled the company to almost pass the halfway mark in the attempt to set up a $4,000,000 sales record for the present year, and the management is hopeful that the ultimate objective will be attained.

In 1930 the company showed a total turnover of $3,676,438, which will necessitate an increase of $323,562 in the current year to bring the total to $4,000,000. It is said that the latter half of the year is usually a period of heavier sales volume particularly with the coming of colder weather and the holiday season at the close of the year, that the rate of increase should show improvement from now on.

Paramount Publix Profit Shows Drop

Paramount Publix Corp., which controls Famous Players Canadian Corp., estimates consolidated net profits, after all charges and taxes, for the three months ended June 27 last, at $2,225,000, which is equal to 70 cents per share on 3,178,312 shares outstanding. This compares with $3,606,000, or $1.21 per share in the corresponding quarter of 1930, and $3,515,000, equal to $1.12 per share in the first quarter of 1931.

Earnings for the first six months of 1931, after all charges and taxes, totalled $5,740,000, as against $8,440,000 in 1930 or a decrease of approximately 32 per cent.

There are some 2,600 holders of Paramount Publix shares in Canada, acquired through the exchange of Famous Players Canadian Corp. shares.

Trail Smelter Receipts

Following is a statement of ore receipts received at the Trail smelter for the period July 8, to 14, 1931, inclusive; and from January 1 to July 14, 1931, in tons:

	Week end. July 14	Jan. 1 to July 14
Company's mines	10,259	248,925
Other mines	38	3 565
Total	10,297	252,490

Crop Prospects

FREE PRESS REPORT NOT ENCOURAGING

Much Deterioration on Prairies But Rains Ensure Feed and Seed

The general effect of prairie rains during the past twenty days, has been to make possible a fairly ample feed supply and in quite a number of cases to insure the farmer the return of his seed, according to the fourth Manitoba Free Press crop report issued July 18. There has been no general improvement in the position and condition of the wheat crop of the west, it is stated, and in quite a number of places actual further deterioration has taken place.

In all the provinces the crops are late, coarse grain more especially. Wheat crops are almost uniformly thin, and with the coming of rain, additional stools have been put out that will never produce heads, but will, to some extent, delay development of the heads already formed.

As to presence of stem rust, a July report of the Dominion rust laboratory is quoted which says:

"We have found traces of black stem rust on wheat from Winnipeg to Morden, and from Morden across country to Brandon, but not west of that point, and the traces at Brandon are very slight. Very slight traces were also found in districts to the north. The infection at the present time is very slight, but it is there, and in another week it will be possible to give a more definite statement as to the possible development of the disease. In the meantime there is no occasion for great alarm."

Summarized by provinces the report says:

Manitoba—The summary of conditions in Manitoba shows improvement since last report, especially in late sown coarse grains, feed and pastures, but the drought had continued too long for the moisture to be of benefit to early sown crops, especially wheat, and in many cases farmers hope only to get back seed or feed, or both, from their wheat fields.

Saskatchewan — Only a very few points report absolutely no improvement in conditions since last report, but very, very many, indicate that the improvement is slight and only applies to the increased possibility of fiields yielding seed or making feed for stock. In the south and centre, where the greatest wheat areas lie, there is no improvement, and quite a number of points indicate deterioration since last report.

Alberta. — Oat and barley crops show up much better than in either Manitoba or Saskatchewan, and flax, where grown, is very generally a "good" or "fair" crop. Rye is also promising at many points, but a number show condtions to be "poor" or only "fair." The hay crop is generally only fair with isolated districts indicating a good supply particularly in the irrigated areas.

A general improvement is indicated in many districts, but in others the crops have gone back in the past 20 days. There is very much late crop in this province and the need of warm weather is very generally stressed.

Bank of Montreal Report Finds Outlook Better

General showers in all three Prairie provinces have been beneficial during the past week, says the Bank of Montreal in its weekly crop report, and the condition of crops and pastures now shows improvement on the whole, except in those large areas in Saskatchewan and parts of Manitoba where the crops were destroyed by drought.

In all the other provinces in Canada, both east and west of the prairies, the highly favorable outlook in regard to practically all crops continues. In Quebec, harvesting of a hay crop of good quality is general. In Ontario cutting of fall wheat has begun, with a better than average crop assured. In the Maritime provinces all crops are making good progress while in British Columbia hay and cereals give indications of good yields.

Public Utility Earnings

Brazilian Traction, Light & Power Co.

June:	1931	1930	Decrease
	$	$	$
Gross earn.	3,250,203	4,146,884	896,681
Oper. exp.	1,219,977	1,675,645	455,668
Net earn.	2 030,226	2,471,239	441,013
Aggre. gross from Jan. 1	18,766,873	24,286,359	5,519,486
Aggre. net from Jan. 1	11,311,311	14,021,020	2,709,709

SALMON CANNERS EXPECT BOOST FROM NEW PACT

Australian Treaty Should Prove Aid to B. C. Packers

From Our Own Correspondent

VANCOUVER.—Expansion of the Australian market for canned salmon is regarded as a certainty here following ratification of the new trade agreement between Canada and the commonwealth. The Canadian rate remains at two cents a pound but the general tariff has been increased from five to eight cents, thus increasing Canada's preference from three to six cents a pound.

Australia, incidentally, was the first country to import large quantities of British Columbia canned salmon. The new tariff is expected to place Australia among the best customers the fish packing industry has. Last year Australia imported 17,000,000 pounds of canned salmon, of which 11,000,000 pounds came from British Columbia.

Canada Dominated Market

In the four year period from 1921-1924 Canada supplied 45 per cent of all canned salmon bought by Australia. This increased to 68 per cent in the year 1929-1930, Canada supplying nearly 11,000,000 pounds; United States, 5,000,000 pounds; Japan, 194,000 pounds and Russia, 1,156,000 pounds. Both Japan and Russia practically doubled their sales to Australia last year.

Keen price competition, especially from Japan and the Soviet, coupled with the general depression in Australia, resulted in a decline in Canada's sales to Australia from 11,276,000 pounds in the calendar year 1929 to 6,585,000 pounds in 1930. A further decline has been recorded this year.

According to leaders in the packing industry here, however, the new tariff should bring British Columbia's sales back to the former high mark in quick order. The new deal is regarded with particular favor at this time on account of the precarious situation in the French market. Proposed French duties against Canadian salmon will shut the product out of that market altogether. The Japanese salmon canners now have a preference in Japan amounting to $1.14 a case on half-pound flats and this means that the French market is gone, so far as British Columbia is concerned. Competition with Japan and the Soviet in the Australian market has been increasingly difficult because of the much lower cost of production in those countries. The additional preference is expected to rectify that situation, and all companies engaged in the export salmon business are expected to benefit substantially.

BANKS REDUCE INTEREST RATE

Current Accounts Get ½ Per Cent Less After Aug. 1

Canadian banks have issued a notice to their customers that the interest on current accounts is to be reduced to 1½ per cent, and will take effect on Aug. 1.

Rates formerly were 2 per cent calculated on the daily balance, or 2½ per cent calculated on the minimum monthly balance, less in many cases a free balance upon which they receive no interest varying from $1,000 to $25,000 to offset the cost of operating the account. These rates have now been revised effective from Aug. 1, as follows:

The former rate of 2 per cent daily balance is now reduced to 1½ per cent. The former rate of 2½ per cent minimum balance is now reduced to 2 per cent, and in all cases a free balance of not less than $2,500 is to be maintained.

This change is a joint action taken by all the banks as they have found it so difficult to earn anything worth while on their reserve funds with rates as low as they are in such centres as New York and London."

International Pete Maintains Production

International Petroleum Co. maintained production during June at a slightly higher level than in the previous month of May. The daily average production in Peru was 25,827 bbls. during June as against 24,450 bbls. in May, while output in Colombia averaged 47,840 bbls. daily aaginst 47,724 bbls. in May.

The official figures on operations during May reflect the closing of Peruvian operations for a period of eight days. The May figures for 1931 and 1930 are as follows:

May:	1931	1930
Peru:		
No. of wells completed	2	7
Av. initial prod., bbls.	57	1,031
Total crude prod., bbls.	*561,557	905,502
Colombia:		
No. of wells completed	6	10
Av. initial prod., bbls.	923	680
Total crude prod., bbls.	1,479,452	1,719,138
*Shut down for eight days.		
Five Mos. ended May 31:		
Peru:		
No. of wells completed	24	54
Av. initial prod., bbls.	288	379
Total crude prod., bbls.	3,459,250	4,358,647
Colombia:		
No. of wells completed	24	54
Av. initial prod., bbls.	672	659
Total crude prod., bbls.	7,944,872	8,387,683

Jones Bros. Dividend is Passed on Common

Jones Bros. of Canada, Ltd., has omitted the quarterly dividend on its common stock ordinarily payable July 1 last. Establishing a rate of $1.20 per annum with the initial payment of 30 cents per share made April 1, 1930, regular quarterly distributions were made to and including April 1, 1931. There are 28,787 no par value common shares outstanding.

Although no statement has been made, it is understood that directors wish to conserve cash resources and maintain the working capital position.

In 1930 the company reported earnings applicable to the common stock of $1.28 per share.

Grand Central Market is Offered for Sale

A rather gloomy state of affairs for shareholders of the Grand Central Markets, Ltd., is seen in the advertisement by the trustee, G. T. Clarkson, calling for tenders for the sale of the uncompleted community market building, on Yonge Street, north of Davenport Road, Toronto.

This venture sponsored by G. A. Stimson & Co., now in bankruptcy, is one of the many enterprises started by that company, all of which have proved failures for the shareholders or bondholders.

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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LETTER SHOWS SERIOUS PLIGHT OF M. & O. PAPER

Committee Asks Deposit of Bonds to Aid Reorganization

FUTURE IN DOUBT

No Immediate Prospect of Payment of Bond Interest is Held to Be Possible

Holding no hope that the affairs of Minnesota & Ontario Paper Co. can be straightened out in the near future and urging the deposit of substantially all bonds outstanding in order to assure a successful reorganization of the company, the bondholders' protective committee has forwarded a letter to bondholders which indicates that the placing of the company on a sound and profitable operating basis will be a question, not only of time but of improved conditions in general business and in the newsprint industry in particular. To date, 58 per cent of the outstanding bonds have been deposited but there still remain $10,000,000 principal amount of bonds which have not been deposited.

Financial position of the company and its subsidiaries as at February 28, 1931, is now available to bondholders who may request the secretary of the protective committee for the statement. The letter states that the unsatisfactory condition of the company and its subsidiaries is indicated clearly in the statements and that a consolidated loss of $283,054 is shown in the two months ended February 28, 1931, before depreciation, bond and other interest, and amortization of bond and note discount and organization expense. After these deductions, the deficit for the two months amounted to $822,618, before deducting certain inventory and other write-offs charged to surplus. As to depreciation, the auditors question whether sufficient amounts have been deducted.

Current Position Poor

The consolidated balance sheet of the companies and subsidiaries, including National Pole & Treating Co., as at February 28, 1931, shows total current assets of $12,171,415 and total current liabilities of $9,412,529. The latter figure, however, does not include $6,300,000 principal amount of funded debt already due and coming due in 1931. If this were included there would be a deficit in working capital of $3,541,114 on a consolidated basis. If National Pole & Treating Co. were excluded from the statement, the deficit would be increased to $7,781,116.

The financial statement, as prepared by Peat, Marwick, Mitchell & Co., goes into considerable detail as to the position of Minnesota & Ontario Paper Co. and subsidiaries as well as that of National Pole & Treating Co. and also includes a consolidated statement covering both companies. Numerous contingent liabilities are also shown against Minnesota & Ontario Paper Co. Minnesota & Ontario Paper Co. is shown with a gross profit of $3,677,165 in 1930 on net sales of $16,681,875 while in the first two months of 1931 a loss of $10,148 was made on net sales of $1,412,224. After deduction of selling and administration expenses, fixed charges depreciation and taxes are allowing for income from other sources, the company had a deficit of $830,985 in the first two months of 1931 as against a loss of $130,336 for all of 1930.

The letter in part is as follows:

Situation Is Involved

"It is possible that many of the bondholders have not realized before the seriousness of the situation and until now have entertained the hope that the existing defaults would be cured and interest payments resumed promptly. Unfortunately, however, such developments appear to be out of the question. The situation, frankly, is exceedingly involved. The complicated nature of the problems faced have been increasingly evident in the numerous meetings which the committee and its sub-committees have held since organization, as well as from the personal investigations of members of the committee who have gone over the various properties of the company in the United States and Canada. Several members of the committee, it should be mentioned, are devoting a large part of their time solely to the problems of the committee.

"By way of illustrating some of the existing complications, it should be appreciated that Minnesota & Ontario Paper Co. controls nine major subsidiaries, three of which are Ontario corporations. These nine subsidiaries, in turn, control eight subsidiary companies, three of which are incorporated under the laws of Ontario and one of which is incorporated in Finland. Minnesota & Ontario Paper Co. further is affiliated directly or indirectly with several other companies in addition to the forementioned subsidiaries.

Is No Immediate Hope

"From the committee's investigations to date, it appears that the ultimate outcome for the bondholders is dependent upon conditions affecting the newsprint industry, general business and the company itself. Competitive conditions in the newsprint business have been very severe and prices have been generally reduced during recent months. Until conditions in the industry are stabilized it is impossible to predict what may happen to other newsprint paper companies, some of which as you may know, are already in financial difficulties.

"It is generally conceded under existing conditions that there are few, if any, companies in the business, even if they should wish to acquire the company's properties at foreclosure sale, that are financially able to purchase the mortgaged properties for cash at an amount anywhere near sufficient to pay the bondholders in full, regardless of the value of the assets behind the bonds. It is obvious, therefore, in order to realize to the fullest extent on their investment, that the bondholders through concerted action should buy in the properties under a plan of reorganization.

"That a reorganization is necessary is the unanimous opinion of all of the interested parties. It is pointed out further that a reorganization is important in order to obtain the

(Continued on page 15)

Chemical Research Corp.

Lack of Adequate Information as to Position and Prospects of $7,000,000 Company Leads to Belief That Shareholders' Protective Committee Should be Formed

(Second Article to Shareholders of this Company)

Chemical Research Corporation shares are traded in on two Canadian stock exchanges and one U. S. exchange, but as far as The Financial Post can learn, little or nothing by way of information or assistance from these exchanges can be expected in the quest of shareholders for adequate information regarding this so-called $7,000,000 corporation. The three exchanges which quote this company's shares are Standard Stock and Mining Exchange, Toronto; Montreal Curb and New York Produce Exchange.

The situation surrounding these shares and the Standard Stock Exchange is perhaps typical of the manner in which these shares are listed, for according to officials of the Standard Exchange, these shares are only traded in on the unlisted section of the exchange and therefore no responsibility for the company's position or annual statements is assumed by the listing committee of the exchange. If the shares were fully listed the company would have to meet rigid listing requirements, it is stated, such as filing audited statements, meeting requirements of federal or provincial blue sky laws and so forth.

Merely Offers Market

But with unlisted securities such as Chemical Research Corp., the exchange merely undertakes to provide a market for shares which are held substantially by the clients of members, and which would otherwise be traded in only on an over-the-counter basis. In this way the exchange believes it is doing a service for its members (and incidentally gaining for them substantial commissions on such transactions) by placing such stocks on the unlisted department, without in any way assuming responsibility for the position or status of the individual companies.

Officials of the Montreal Curb Market say they have communicated with the company asking for additional information, following publication of The Financial Post story last week.

Another point stressed to The Financial Post since publication last week of its special article urging shareholders to form a protective committee to pry adequate and accurate information from the company, is in regard to the actual technical position of the particular gasoline cracking process which is the company's only asset, held through its subsidiary, Gyro Process Co.

Rumors have been current for some time that the particular process for which patents are held by Chemical Research, has been slipping rather than gaining ground in gasoline refining circles, and that even companies most closely associated with Chemical Research have relegated the use of this particular process to a secondary place in their operations, and that newer and less costly processes are replacing the Gyro method.

If this is not the case, shareholders should receive denials from F. F. Beall, president of the company, but apparently there is no adequate information as to the extent to which the company's process is being used. If it is true that even companies closely associated to Chemical Research are turning to other processes, there would seem little chance of companies that have as yet not even erected plants to use this process, doing so. This would augur anything but well for the company since as pointed out in The Financial Post last week, Chemical Research has as yet received not a cent as dividends or revenue from its sole source of revenue, Gyro Process Co.

The Financial Post reiterates its stand taken last week that shareholders of this company would be well advised to form a protective committee to obtain adequate information on this company which it is claimed has assets valued at $7,300,000, but on which no audited statement has yet been published, and whose shares at one time had a market valuation of $15,000,000. Below is some of the correspondence received from shareholders in the company, by The Financial Post during the past week.

Shareholder Wants Facts

I read today with interest your article in The Financial Post regarding the Chemical Research Corporation and am fully in accord with your views on the matter, and as a shareholder of this corporation I would certainly like to see something done to ascertain the true facts of things.

Several times I attended the annual meeting, and the flowery manner in which F. F. Beall presented his side of the story has cost me a considerable amount of money.

If it will be possible for you to obtain more information for the shareholders in the manner you suggest, I would be very pleased to fall in with your views.

B. ALLEN.

Toronto,
July 16, 1931.

Editor The Financial Post,

Your article in The Financial Post of this week has come to my attention and I read with much interest your views with reference to the Chemical Research Corporation. As a shareholder, I believe something should be done to find out just what this company is doing with the royalties they are receiving.

I suppose we will be reading more about this matter in future editions of your paper and just how to go about having our interests protected.

M. J. WALSH.

Toronto,
July 16, 1931.

International Payments Rich in Human Interest

Dr. Julius Klein Gives Vivid Portrayal of Importance of "Invisible" Items in Nation's Trade Balance

Those who think data regarding the balance of international payments as between various countries of the world, is a theoretical or uninteresting study should have heard Dr. Julius Klein, assistant secretary of Commerce of the United States, give his weekly radio talk on this subject

"The figures in this 'Balance of International Payments,'" he said, "represent in one way or another, pretty nearly the entire gamut of human incentives, energies, emotions and experiences.

"It is absurd to make the frightfully common mistake of thinking that international business is simply made up of interchanges of concrete material, 'touchable' articles of merchandise—the things about which there has been so much tariff uproar, pro and con. There are items in foreign business running into billions in their total value which lie far beyond that zone of fire. Foreigners who owe us money, either for our exports or for loans, war debts, or what not, may pay us not only in goods or gold but in services sold to our business men or tourists.

Services and Merchandise

"Services, in multitudinous cases between individuals, are being exchanged, ultimately, for merchandise. They are the equivalent of goods. And it is the same between nations. Services help to make up the great items of 'invisible payments,' going very far to adjust the balances that are drawn up. Economists, for years, have been laboring to hammer home that fact—but certain quarters seem comparatively impervious to it still.

"Take any single country. It would not happen once in a million years that the exchanges of actual goods between the United States and that country would be exactly equal. Maybe we Americans did not buy so many clocks from a given foreign region as other countries did, but we made up for it amply by having our tourists purchase huge quantities of winter sports and sunlight on gleaming glaciers. Or if the olive market was a little 'off,' we may have compensated for it by taking longer looks at Titian's pictures, Grecian temples, or Moorish minarets, and paying plenty of sound American dollars for the privilege.

Concrete Examples

"And so on down the line. We can understand the situation best, I am convinced by proceeding with a number of other concrete human examples. Let us say you are in a post office here and you fall into conversation with a sturdy foreign-born worker who is investing in an international post-money order, to send to his wife and children in a peasant cottage on some far-off central European hillside; his thoughts are always with them, he wants to supply their needs and keep them from ill-fortune, so he sends them money he has earned in an industry in the United States. Maybe you are a manufacturer or export merchant, and, to get your goods to a foreign port in some out-of-the-way corner of the world, you are obliged to pay freight charges to a foreign shipping line.

"You pick up a newspaper and read a story about starvation, plague, or wretchedness in some other distant country, or about the need for education or social readjustment, and you are moved to write a cheque and send it to an organization that is working to remedy the situation. Or you are travelling abroad yourself, and you buy the head-waiter's knowledge of the most delicious dishes that the chef has just concocted—or a voluble guide's 'inside information' on what Napoleon said to Josephine in some gaudily gilded room at the Palace of Malmaison. You buy the memory of the tattered banners of the valiant Charles the Twelfth of Sweden, the shattered towers of robber-barons' castles, or the brilliant pyjama-pageants at the Lido beach. It all involves payments. It is all a part of modern business.

How the Thing Works

"All such payments by Americans compensate for and offset foreign purchases of American goods. If a British merchant buys an American adding-machine, we do not have to 'make it right' by acquiring a suit of clothes from Bond Street or a supply of Sheffield cutlery. No, the matter can be adjusted by a pilgrimage to Shakespeare's tomb at Stratford. The 'invisible' payments are potent in bringing the mutual business into the desirable state of 'balance.' The frequent failure to recognize that basic, vital fact—that heavy weight cast into the scales of international business relations—leads to all kinds of fallacies, and absurd misconceptions, and erroneous ideas of unfairness. Because a distressing depression or the adoption of a fiscal policy may in some instances lessen our American purchases of certain things that came in bales and boxes, one cannot jump to the conclusion that the scales are tilting at too sharp an angle and a wrong is being done. Nine times out of ten, at least, an examination of the invisible payments will show that the 'intangibles' are actively and vigorously correcting the 'discrepancies' that are mistakenly alleged to be so onerous to certain of our foreign friends.

Buy Canadian Power

"The invisible items cover a variety of payments in addition to those that I have mentioned. For instance, in 1930 we paid 237 million dollars to foreigners who have invested in American enterprises, while we received 826 million dollars from our own investments abroad (these figures both refer to long-term private investments). As the earnings of short-term interest and commissions, we paid to foreigners abroad the sum (in 1930) of 73 million dollars, while we collected from foreigners abroad a little more than that, or 78 million dollars. We paid 4 million dollars for electric power that came to us from Canada. We paid foreigners 15 million dollars for cablegrams, radiograms, and telephone services—while for this same class of service they paid us something like 21 millions. On insurance transactions the balance seems to have been practically equal, with about 70 million dollars passing in each direction. On motion-picture royalties we apparently received, in 1930, about 50 million dollars, and paid out 6 million."

ST. JOHN'S MAYOR FINDS PROSPECTS ARE ENCOURAGING

Newfoundland Capital Undertakes Large Paving Scheme

Newfoundland is weathering the business depression extraordinarily well in the opinion of Dr. Charles Howlett, mayor of St. John's, who recently visited Toronto and Montreal to arrange details of a quarter million dollar paving contract which is the first step in a $1,000,000 scheme to provide that city with modern, paved streets. Dr. Howlett pointed to the fact that the Buchan's Mine was going full blast as were paper mills and fishing activities. Buchan's Mine only a few weeks ago stepped up production to from 400 to 1,000 tons a day while paper mills were creating new production records almost weekly.

As to fishing, Dr. Howlett stated that the cod fishery off Labrador netted a larger catch during June than during the entire 1930 season, while only a few weeks ago, the "Blue Peter" famous refrigerator ship of the colony, left for Great Britain with a record cargo of 800,000 tons of frozen salmon. The disappointing feature of the fishing business at the present time, the mayor pointed out, was the extremely low prices and the lack of demand due to the fact that many of the Mediterranean countries with which Newfoundland did business, were virtually bankrupt.

Tourist Traffic Prospects

Prospects for tourist traffic this year seemed good, according to the mayor, chiefly due to the substantial reduction in fares which had been effected between Newfoundland and other ports. Last year traffic fell off considerably, but indications pointed to some revival during the coming season.

In reference to the road-building programme being undertaken by the city, Dr. Howlett pointed out that under the present set-up, St. John's was dependent on a Government Order-in-Council for authority to borrow and that recent orders permitted the city to borrow approximately $500,000 at the present time, which it was anticipated would be arranged through a private bank loan. The entire debt of the city in the past 40 years has only amounted to $2,000,000 and at the present time civic taxes yielded approximately $560,000 in annual revenue, which was raised by means of a 16 per cent levy on the rental value of property. This system had now been found to be unsound and inequitable and as a result of legislation recently passed the city would shortly change its basis of taxation to that of assessed rather than rental value of property. When this change is brought about, it is expected that something in the neighborhood of $800,000 could be collected by the city.

City Pays 50 Per Cent

The immediate plan for paving involves about a mile of road and embraces Duckworth and New Gower Sts. Of the total cost, 50 per cent is borne by those directly benefitting and 50 per cent by the city. From the city's point of view the cost of sinking fund and interest payments on the loan necessary to pave the roads, is actually less than the present cost of upkeep.

As to the Federal Government's financial position, the mayor declined to comment, except to point to the fact, already made public, that Canadian banks had agreed to loan the Government approximately $2,000,000 to meet interest and sinking fund payments on loans maturing shortly.

ATLANTIC TRAVEL DECLINES 35 P. C. TO END OF JUNE

Six Months' Figures Show Canadian Route Hit Badly

It is generally agreed among shipping companies, excepting the North-German-Lloyd, that the present summer tourist season is the worst since before the war.

Sailings are being curtailed by many lines, the Canadian Pacific being among these.

Transatlantic travel during the first six months of the present year showed a volume of but 65 per cent of that of the same period in 1930. All lines are affected, though the North-German-Lloyd appears to have been faring considerably better than others, and traffic in both directions is involved in the decline.

On the Canadian route 18,500 passengers were carried on westbound trips as against 67,950 last year while on eastbound trips, the number was 24,900 compared with 31,900. The total this year was, therefore, but 43½ per cent of last year's volume.

New York Figures

On the New York route, the number of passengers westbound was 102,450 as against 179,000 for the six-months' period last year, eastbound traffic being 202,750 compared with 257,100 for 1930. The present half-year's total was, therefore, only 70 per cent of the first half-year of 1930.

With the exception of a small increase in the number of third-class passengers carried eastbound on the Canadian route there was a decline in each class.

Reports from Paris state that first-class passenger rates on all big liners operating between Europe and New York are almost certain to be cut 25 per cent. At a conference held by the principal steamship companies in Paris two months ago the Cunard line was desirous of reducing round-trip steerage fares to a flat $100, but the proposal was firmly opposed by the German and the United States lines, and the conference was adjourned. The conference has been re-convened, and today the United States lines appear to be taking the leadership in urging not only the paring of steerage rates, but also reducing first-class fares on express liners.

The conference has again adjourned after a three-day discussion without reaching any decision, but a sub-committee has been appointed to examine difficulties raised and to report to another meeting to be held in Paris on July 28.

Whatever the outcome no reductions are likely to be effective before October, at the earliest.

German Line Buoyant

The majority of summer tourist traffic this summer seems to be going to the two fast new German boats, the Bremen and the Europa. Inasmuch as the North-German-Lloyd has suffered less from this year's slump than other companies, they are expected to form the sole opposition to rate reduction proposals. It is reported that they view their competitors' eagerness to cut rates as empty gestures, pointing out that the United States intends to lay up the Leviathan for its annual winter overhaul early in October instead of keeping the liner in service until after Christmas as in the past. They further imply that the White Star and Cunard lines will probably do the same with their crack ships, wherefore the German line would be the only company operating first-class transportation between Europe and America at the reduced rates. It is safe to say that the French Line, in spite of emergency relief received in the form of a $6,000,000 subsidy from the French Government recently will also curtail passenger services during next winter.

Heavy cuts in schedules by all lines are effected, and when the conference resumes on July 28, the revised sailing lists of all companies will be completed and the conference will have knowledge of precisely what ships will be in operation during the winter season. This it is hoped will aid the conference in making an equitable decision upon rates.

Plenty of Oil Plants Here Though Imports $1,000,000

Although Canada imports $1,000,000 worth of "essential oils" from the United States each year, Canadian woods abound in the wild herbs and aromatic plants such as peppermint, spearmint and horehound from which these oils are derived, according to a survey made by the U. S. Department of Commerce recently. Prominent among the aromatic and medicinal plants that are found in profusion in various parts of Canada are peppermint, spearmint, wintergreen, horehound, caraway, juniper and thyme, and interest in the commercializing of these herbs is said to be increasing.

Peppermint grows wild in Eastern Canada, from Nova Scotia to Ontario, flowering from July to September. Experimental cultivation has been active during recent years and considerable interest has developed. The Canadian peppermint is said to yield 1 to 1.5 tons of dried herb per acre and the yield of oil is reported to average from 2.5 to 3.5 per cent.

Spearmint in the East

Spearmint is found in a wild state in the Eastern provinces, particularly in wet and mucky areas. The yield per acre is similar to that of peppermint. Wintergreen occurs in Canada in widely scattered woodlands from Newfoundland to Manitoba.

Horehound grows wild on waste ground in Ontario and British Columbia. Caraway, although native to Europe, is found in considerable profusion in Eastern Canada.

Juniper, from the berry-like cones of which an essential oil is produced, is rather prevalent in the hill and mountain areas of Canada. In 1926 a company was formed in Deseronto, Ont., to extract the oil from juniper berries, but apparently the venture was unsuccessful.

Tansy and horsemint also are fairly common in the Dominion, particularly in British Columbia. Other essential-oil yielding materials in Canada, include wild ginger, birch bark, goldenrod, sassafras, and lophantus anisatus.

Cultivation in Canada

Collection of wild herbs and botanicals is principally carried on by small farmer distillers and by the French-Canadians, who concoct them into homemade medicinals for their own consumption. Canadian official sources, nevertheless, indicate that a number of aromatic plants could be cultivated in the warmer sections of the Dominion for essential-oil extraction. It is claimed that lavender, rosemary, thyme, basil, marjoram, monarda, aniseed, cumin, coriander, and fennel are more particularly adaptable to Canadian climatic and soil conditions, cultivation prospects being most favorable in the Pacific Provinces.

Whether the field offers sufficient scope for development upon a scale large enough to be commercially practicable is another matter, although imports of essential oils into Canada have increased gradually from 375,893 pounds, valued at $663,367, during the fiscal period ended March 31, 1925, to 588,168 pounds, worth $1,107,672, in the fiscal year 1930, nearly $500,000 of which came from the United States.

Life Insurance Shareholders Have Big Equity in Non-Par Fund

	Surplus Per Share $ 1930	Non-par. Surplus $ 1930	Non-par. Surplus $ 1929	Non-par. Surplus $ 1927	Non-par. Surplus $ 1921
Canada	*108.11	1,081,185	938,881	1,169,742	446,639
Confederation	*62.67	626,722	892,426	161,633	82,282
Continental	16.41	164,115	130,092	108,266	27,291
Crown	94.92	524,481	415,763	359,641	28,419
Dominion	40.30	161,199	109,184	65,047	37,220
Eaton	154.50	386,384	371,242	273,664	....
Excelsior	70.69	353,443	334,492	163,065	73,269
Great-West	*168.50	1,685,058	1,633,745	1,156,978	360,779
Imperial	11.86	118,688	144,043	89,640	100,549
London	*70.61	353,050	383,038	595,736	87,895
Manufacturers	*116.62	1,749,301	1,394,506	783,393	248,484
Monarch	12.96	129,600	84,098	48,126	....
Montreal	3.53	35,340	30,746	35,000	....
National	9.29	92,953	63,732	13,124	Nil
Northern	18.03	180,263	148,461	28,240	Nil
Saskatchewan	.74	7,453	4,136	2,807	....
Sauvegarde	5.36	64,122	71,009	62,257	1,024
Sovereign	8.96	75,312	63,707	42,020	41,087
Sun	*741.50	14,829,954	15,325,229	8,443,135	1,268,598
Total		22,618,624	22,638,530	13,601,914	2,803,536

*On basis of capitalization subscribed as at Dec. 31, 1930, others at Dec. 31, 1929

Non-Par Surplus Shows Big Equity For Shareholders

Life Companies' Special Fund Had $22,600,000 Credit in 1930

IS DIVIDEND SOURCE

Leading Companies Have Made Big Accruals in Recent Years—Sun Equity $741 Per Share

Some clue as to the real equity of shareholders in Canadian life insurance companies is revealed by the $22,600,000 surplus of non-participating funds reported by twenty companies as at December 31, 1930, to the Dominion Insurance Department. This surplus is the "silent" reserve of life insurance shareholders, and is actually available for dividend distribution to them at the discretion of the directors.

Shareholders' equity in insurance companies surpluses has always been elusive as a will-o'-the-wisp both to the lay investor and the analyst used to dissecting the financial statements of manufacturing and trading organizations, for the very good reason that, of its nature, insurance company accounting, like stockbrokers', is a thing by itself, subject to special treatment. Funds available for shareholders are in consequence by no means readily ascertained, although in theory there are five sources of revenue from which profits accrue, namely:

(1) All profits accruing as surplus in the non-participating account;

(2) All profits accruing from annuity business;

(3) Up to 10 per cent of the distributable profits surplus in the participating account;

(4) A proportion of profits actually realized upon investments, in the ratio that paid-up capital plus balance in shareholders' fund bears to total invested assets;

(5) Interest on the balance in the shareholders' fund, at the average net rate earned by the company's total invested assets.

Shareholders' Fund Elusive

Normally, one would expect that the annual credit placed in the shareholders' account in any one year would be the profits arising from these five sources. In practise most insurance companies merely credit shareholders' account from time to time with sufficient money to cover whatever dividends are to be paid, and therefore one must look elsewhere in the accounts for sums actually accruing as shareholders' equity or surplus.

It is for this reason that a study of the $22,600,000 at credit of non-par surplus is of prime importance, for here is a fund that belongs in its entirety to shareholders, and which is subject to periodical additions from earnings and deductions, by way of distributions to shareholders, year by year.

The table reproduced herewith, shows the amounts of surplus held in this account by nineteen leading Canadian life insurance companies licensed under the federal government as at the end of the past three years and as at December 31, 1921.

Sun Shows $740 Per Share

Taking the six leading companies, the Sun, Canada Life, Great West, Manufacturers, Confederation Life, and London Life, the total surplus of non-participating funds, at the end of 1930 amounted to well over $20,000,000, Sun alone being responsible for $14,829,954 of this. As there were 20,000 shares of Sun Life stock outstanding at the end of last year, the equity of shareholders in this company's non-par surplus stood at $741.50 per share. Worked out on the same basis, Great West shareholders had an equity in a fund equal to $168.50 per share; Manufacturers Life, $116; Canada Life, $108; Confederation Life, $63; and London Life, $141 per share. It must be remembered that this fund by no means represents the total equity for shareholders, there being balances in the actual shareholders' funds of the 19 companies at December 31, 1930, totalling $3,434,964 while the combined surpluses derived from participating business, a proportion of which is due to shareholders, amounted to something like $35,000,000.

Dealing with the non-participating surplus, however, the growth of these funds in ten years may be observed from the table. The most spectacular accumulation was made by the Sun whose non-par surplus has increased over $13,500,000 in the course of the past nine years. During 1928 nearly $4,000,000 was added, and in 1929 over $3,000,000. Incidentally, in the former year a dividend of $25 per share was paid out to shareholders, while in the latter, in addition to the $25 dividend, a bonus of a similar amount was paid. During 1929, it will be noticed, the surplus was reduced by almost exactly half a million dollars. Coincidentally, in that year, the $25 dividend was augmented by two bonuses of $25 per share, adding $500,000 to the $1,000,000 as paid in the previous year. Whether the increase in the disbursement is directly responsible for the reduction by the same amount of the non-par surplus is a matter for conjecture, since the amount of non-par funds are likely to have been subject to the fluctuating profits of the company's non-par business. Yet the fact that the extra bonus was furnished by the fund is a reasonable assumption.

Other Funds Rise

Great West Life shows the next largest appreciation per share in non-par surplus in the nine years, this rising from $360,779 in 1921 to $1,685,058 in 1930. Approximately $150,000 was added in 1929 and $50,000 in 1930.

Manufacturers Life non-par surplus increased even more quickly and at a somewhat more regular rate, about $290,000 being added in 1929 and about $350,000 in 1930. Canada Life's non-par surplus rose from $446,639 in 1921 to $1,081,185 in 1930, though it reached a higher point in 1927. Confederation Life has grown steadily from $82,282 to $626,722 in the nine years. London Life increased its non-par surplus rapidly in the six years from 1921 to 1927, when it rose from $87,895 to $595,736. Since then it has been at a lower level each year, standing at $353,050 in 1930.

Halifax Harbor Scene of Activity

From Our Own Correspondent

MONTREAL. — The 1931 gross tonnage of shipping for the Port of Halifax, will be increased by about 2,250,000 tons as a result of the tourist traffic to Halifax this summer.

Some 14 liners making an aggregate of 30 calls at the port are responsible for this situation. These cruise ships, sailing out of New York, include such vessels as the Berengaria, Leviathan and Majestic, all of which are over 50,000 tons.

Port tonnage is figured on an incoming and outgoing basis, a factor to be considered in viewing the wide increases anticipated.

Early Returns From Tourists Show Promise

Automobile tourist traffic from the United States commenced early and compares favorably with that of the corresponding period last year according to reports from revenue collectors at frontier points of entry.

At Rock Island, Quebec, a favorite point of entry for tourists from Vermont and the New England states, total automobile traffic inward in April of this year was 15,507 cars as against 14,789 the previous year. In May at the same point, volume rose to 23,920 cars as compared with 23,879 a year ago, making an increase to the end of May of 740 cars. A similar situation is found also at Bridgeburg which during April and May this year passed 370,709 automobiles an increase compared with the corresponding period last year, of 4,359.

Other Points Gain

At the three bridges at Niagara Falls, total number of automobiles passed inward and outward was 191,104 in May an increase of 60,065 over the previous month. Of this total 64,000 were United States automobiles entering inward, while during the month 11,453 touring permits of periods up to 60 days were issued to United States motorists. Similarly at Lacolle, Quebec, the custom's outport on the King Edward highways for tourists entering Canada from New York State via Rouses' Point, traffic was slightly heavier during April and May this year than for the same months last year. This year's figures show 6,605 United States automobiles entering inward. Tourist automobiles entering Canada in the same months through St. Stephen, N.B., totalled 964.

"TEXTILE" PROFIT COVERS DIVIDEND ON JUNIOR STOCK

Common Share Earnings at $5.06 Compared With $6.06

SALES DECLINED 20%

Raw Cotton Prices Showed Wide Fluctuations During Past Year

From Our Own Correspondent

MONTREAL.—Dominion Textile Co. earned its $5 common dividend requirements by a margin of 6 cents in the fiscal year ended March 31, 1931. After all deductions earnings were equal to $5.06 a share as compared with $6.06 a share in the previous year. There are 270,000 shares of no par value outstanding.

Sales for the year dropped 20.9 per cent to $15,307,758 and manufacturing profit amounted to $1,085,350 as compared with $1,518,321 in the preceding period. Addition of income from investments which totalled $721,952, an increase of $160,342, brought net earnings to $1,807,302 as opposed to $2,079,931 in the previous year.

Sold at Low Prices

The reduction in dollar volume of sales was almost entirely due to the lower price at which goods were sold during the year. Cotton had unusually wide fluctuations, it is pointed out in the report, varying from 16.79 cents in the opening month of the company's year to 9.26 cents in December and closed the year at 10.68 cents or a difference of 7.53 cents a pound between the high and the low.

Features of the balance sheet include an increase of $1,495,390 in liquid investments and call loans at $5,889,079 and a decrease of $1,367,971 in raw cotton which is carried at $667,155. In the year ended March 31, 1929 raw cotton was carried at $3,772,381.

A highlight in the report to shareholders made by C. B. Gordon, chairman of the board, is to the effect that the company has materially increased the number of looms manufacturing artificial silk goods and will shortly commence operations in a plant for the production of cotton and artificial silk, corduroys, velvets and velveteens.

Profit and Loss Account

Following is a comparison of profit and loss accounts for the past two years:

	1931 $	1930 $
Oper. profit	1,085,350	1,518,321
Other income	721,952	561,610
Total income	1,807,302	2,079,931
xBond interest	303,945	307,665
Net income	1,503,357	1,772,266
Pref. dividend	135,842	135,842
Balance	1,367,515	1,636,424
Common dividend	1,350,000	1,349,804
Year's surplus	17,515	286,620
Previous surplus	7,408,035	7,211,414
P. & L. balance	7,515,550	7,498,034

xIncluding premium on bonds redeemed.

Working Capital Strong

Working capital position has been fairly well maintained and at the end of the fiscal year amounted to $8,906,905, as compared with $9,110,342. Current assets were $10,921,585 against current liabilities of $2,014,680.

Cash and bills receivable totalled $165,313, a reduction of $593,000. Accounts receivable amounted to $1,901,764 as compared with $2,405,669. Investments and call loans, however, have risen from $4,393,690 to $5,889,079.

Raw Cotton Holdings Drop

In inventories, raw cotton has dropped from $2,035,126 in the previous year to $667,155. Stock manufactured and in process is higher by about $189,000 at $1,957,603, while supplies are slightly higher at $340,671.

Investments in and advances to subsidiary companies at $4,399,707 compare with $4,317,207 shown in the previous report. These figures were included for the first time in 1929 and represent, in part, the company's investment in its tire fabric manufacturing subsidiaries. Land, buildings and machinery, less depreciation, show an increase of about $100,000 at $19,666,661.

Bank Loans Reduced

In liabilities, bank loans have been reduced by some $544,000 to $1,105,730. Accounts receivable, which include reserve for income tax, total $536,079, as compared with $608,994, while other current liabilities include allowance for wages of $314,000 an increase of $59,000 and allowance for interest on bonds and preferred dividend.

During the year $67,000 of 6 per cent first mortgage bonds were redeemed, leaving $4,982,000 outstanding. Preferred and common stock is unchanged.

Remarks to Shareholders

In his remarks to shareholders, C. D. Gordon, Chairman of the Board, said in part:

"Operations throughout the year have varied continuously from month to month, and, as intimated at our last meeting, for the first six months lagged behind the corresponding months of the previous year in both volume and value. During the latter part of September, the new Government revised, in part, the cotton schedule, and afforded a very welcome and necessary relief that was almost immediately reflected in greatly increased operations; but sales were made at extremely close prices and very frequently did not cover overhead requirements. Nevertheless, the situation without the tariff changes would have been a very serious one both for your company and its operatives, as operations would have been further curtailed.

"There has been no change or improvement in the cotton goods situation in either England or the United States."

Plan Cattle Shipments

It is planned by the Southern Alberta Co-operative to move overseas 50 to 60 head of cattle weekly from the Lethbridge district and arrangements for this summer are being made with the steamship companies. Growers are putting their cattle for export on sweet clover pasture and chopped grain rations.

Canadian Pulp and Paper Industry

FEAR NEW TREATY MAY HURT TRADE IN NEW ZEALAND

Coast Paper Mills Reserve Judgment of New Pact

AID TO LUMBERMEN

Expected That B. C. Can Gain Half of Australia's Market for Soft Woods

From Our Own Correspondent

VANCOUVER. — Newsprint manufacturers in British Columbia are not quite sure whether the Australian trade agreement will benefit or interfere with their trade in the antipodes.

"About the only thing in this agreement that looks definitely favorable is the fact that it puts us on a more permanent footing," one paper company executive told The Financial Post. "But it leaves us on a par with the United Kingdom and the United Kingdom is our chief competitor in the Australian market. We are given a preference over Scandinavian and other countries, but their business in Australia is so small now that we hardly regard them as competitors."

May Hurt in New Zealand

The factor that disturbs the newsprint manufacturers here is the apparent effect of the Australian treaty in New Zealand. New Zealand is apparently very much annoyed with the butter provisions in the treaty and for that reason it is feared that retaliation may be resorted to in New Zealand's curtailment orders in Canada. The New Zealand market has lately become an important factor, so far as British Columbia mills are concerned.

British Columbia mills now supply about 30 per cent of the Canadian newsprint going into the Australian market. Last year Canada's newsprint exports to the Commonwealth were valued at more than $5,000,000. When the preference was first negotiated for Canadian newsprint in Australia some five years ago Powell River Company more than doubled its capacity, and other companies also expanded. Since then trade with Australia has grown steadily. Pacific Mills, Ltd., at Ocean Falls has been a large contributor to the Australian newsprint market. B. C. Pulp & Paper Company has been selling sulphite pulp there, and Westminster Paper Mills has developed large sales in paper specialties, tissues, and so on.

In the original newsprint duties the Canadian product went in on the free list, while the products from countries other than British paid a duty of $15 a ton. Subsequently a change was made under which the duty on Canadian newsprint was raised to $5 a ton and that from countries other than Britain $20 a ton. The $5 a ton duty has now been removed. Australian publishers, hit by the high cost of production, are believed to have advocated the change.

Lumbermen Are Delighted

Delighted with the preference given to their product in the Australian trade treaty, British Columbia lumbermen are determined to make a special market to hold any gains they make in the Commonwealth market. At a conference held shortly after the terms of the treaty were announced lumber operators entered a voluntary compact to maintain the highest quality in shipments to Australia and to pay particular attention to the exacting requirements of that market.

As a matter of fact, the lumbermen received considerably more than they had expected in the treaty. It had been estimated that a preference of $2.50 a thousand feet would have been sufficient to divert a large amount of business to this province. The preference of $5 a thousand, or double what had been anticipated, is expected to shut out a large proportion of the competition from the United States and Scandinavian countries. While the European countries supply Australia with certain kinds of lumber unobtainable here, there will be an opening for greatly increased quantities of fir, cedar and hemlock, chief commercial products of British Columbia forests, lumbermen believe.

May Quintriple Sales

Last year Australia bought lumber from the states of Washington and Oregon valued at $9,500,000, while during the same period only $2,000,000 worth of lumber was sold there by British Columbia mills. Dressed lumber from Norway and Sweden entering the Australian market during that year was valued at $3,300,000.

Normally, Australia buys about 400,000,000 feet of softwood lumber. Last year British Columbia sold Australia only about 40,000,000 feet. It would not be a surprise to anyone if this total was increased to 200,000,000 feet within a year or so, while the potential market would be far greater. This, of course, would obviously mean a proportionate reduction in the quota of lumber imported from the Pacific states and Scandinavia.

A preference in the Australian tariff has been fought for by British Columbia lumbermen for many years and now that it has been won the industry plans to make the most of it. A recent order for 4,000,000 railway timbers from Australia is regarded as the beginning of a large new business with the commonwealth.

Newsprint Status Hits Ontario Forest Activity

From Our Own Correspondent

MONTREAL. — Indications of the extent to which the pulpwood industry in northwestern Ontario was affected last year by newsprint and business conditions generally is seen in the annual report of the Port Arthur Crown Timber agent. This shows a total of 175,625 cords of pulpwood cut in the district in the season of 1930-31, compared to 542,087 cords taken out in the previous season. The report is for the year ending June 10.

In the season of 1928-29, the report shows that total number of cords of pulpwood taken out was 279,983 while in the previous year, 1927-28, 451,062 cords of pulpwood were cut in this district.

Rochester Paper Erects Plant

The coming to Toronto of the Rochester Paper Co. of Rochester, Mich., for the manufacture of blotting paper, is announced by the Toronto Industrial Commission. The company's products have had a considerable market in Canada for some time, and it is anticipated that the business will be enlarged with the manufacture of an all-Canadian product.

The
Canada Power & Paper
Corporation
Total Daily Capacity of Plants:
2,464 Tons of Newsprint
130 Tons Pure Kraft Paper
130 Tons Pure Sulphate Pulp
also producing
CARDBOARD, INSUL BOARD, WRAPPER and SULPHITE and GROUNDWOOD PULPS
SAW MILLS AT PEMBROKE, ONT., producing White Pine, Red Pine and Spruce Lumber Pickets, Laths, etc. — Annual Capacity of 25,000,000 F. B. M.
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St. Maurice Paper Company Limited, Cap de la Madeleine, Que.
Laurentide Company Limited, Grand'Mere, Que.
Laurentide-Ottawa Company Limited, Pembroke, Ont.
Port Alfred Pulp and Paper Corporation, Port Alfred, Que.
Wayagamack Pulp and Paper Co. Ltd., Three Rivers, Que.
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SOUTHERN PINE SEEN AS SOURCE FOR NEWSPRINT

Further Trials Planned by U. S. Forest Service

From Our Own Correspondent

MONTREAL.—Further steps are being taken to investigate the possibilities of production of newsprint from woods grown in the southern United States. Already newsprint from this source has been produced at laboratories of the United States Forest Service, but there has been no commercial production.

It is stated, however, that the Forest Service contemplates turning over its formula to a commercial mill for actual experiment in production under normal working conditions. Hitherto it has not been commercially possible to develop a pulp for newsprint from woods of the southern states.

Has Bearing on Canada

Successful production of newsprint from these woods would have a direct bearing on the Canadian newsprint industry. The estimated production costs of newsprint prepared by this method is stated by the Forest Service to be very close to that of standard newsprint as made from spruce sulphite and groundwood at the present time.

Figures have been cited for 1929 which showed an average of $16.80 a cord for New England pulpwood (rough wood); $18.04 for New York; $12.43 for the Lake states; $7.56 for the southern states; $8.96 for the west coast states and an average of $12.76 for the United States.

Large Timber Stand

The estimated stand of timber in the southern states, as reported by C. E. Curran, in charge of the Forest Products Laboratory at Madison, Wis., is in excess of 2,000,000,000 cords or about 30 per cent of the total stand in the United States. What is more important, he claims, is that the south is capable of producing new stands of wood with great rapidity; 20 years is sufficient to produce trees of pulpwood size.

Thus, Mr. Curran states, despite its low costs it is reasonable to assume that the future pulpwood prices in the south would not be materially increased because of diminishing supply.

Carry Out Experiments

Experiments in adapting southern woods to production of newsprint, book, magazine and other similar papers, have been carried on by the Forest Products Laboratory under a special annual appropriation from Congress.

Following is a statement made by Mr. Curran in connection with recent experiments:

"Recent work at the Forest Products Laboratory in the production of newsprint from hardwoods has resulted in the successful accomplishment of this objective by grinding such hardwoods as aspen, southern black gum, and paper birch, mixing this groundwood with a certain proportion of sulphite pulp from the same hardwood species, and then adding a small amount of long-fibred sulphite for strength purposes.

"In southern black gum, we have one of the lightest colored woods known, which, mixed with a certain proportion of the pine sulphite previously referred to, would permit the south to gain entrance to the newsprint field."

N. B. Pulpwood Operators Favored by Season

From Our Own Correspondent

MONTREAL.—New Brunswick pulpwood operators have been favored this year in their peeling operations by an exceptionally long season. So far this summer there has been a good deal of rain and a plentiful supply of moisture will permit the continuation of activity until the middle of August.

The August full moon generally marks the end of the work, the bark on the trees at that time tightening up and stopping stripping. This year the full moon falls on the 27th of the month, but the end of the period will fall short of that.

Summer cutting and peeling this year centred in Queens and Albert counties, where there are large crews engaged.

In the Mail

Thinks I. P. Should Control

Editor, The Financial Post,

Regarding the Dunning plan for the reorganization of the Canada Power and Paper Co. on which so many articles have been written throughout the country, allow me to make a suggestion which is likely to be approved by all those interested in the settlement of that question.

In reviewing the paper question one cannot arrive at any other conclusion than that the difficulties have been brought or caused by over-production. In the hope of obtaining better prices, two different groups, i.e. Canada Power & Paper and the International Power & Paper, have applied all their endeavors to merge as many companies as they have been able to. Of course, this merging of different producers, has not, in any way reduced the production and the battle for business became more acute.

Both of the above groups could not and cannot come to agreement as to prices as they are in need of revenues to meet interest charges for preferred stocks and bonds. On account of this necessity of getting funds, price-cutting has started and will finish when one of these groups goes to the bankruptcy courts, unable to sustain the fight.

Up to now the International Power & Paper Co. is the winner through better profits drawn out of the sale of paper and power. Since the present plans would not cure in any way at all the evil of over-production, there seems only one way to solve the situation and this is to sell out to the stronger and better competitors. A committee should be made to discuss that question with the proper people. Probably, the interests of the actual shareholders and bondholders would be better off and, what is not to be forgotten, the question of over-production would be settled for a long time.

I do think that my suggestion is practicable and should be studied by impartial people who really understand the question as it actually stands. If Canada Power & Paper cannot survive let them sell out.

ELOI BAILLARGEON.

Montreal.
July 17, 1931.

LARGER PLANT OF CANADA BUD IS KEPT BUSY

Six Months' Output is About 30 p.c. Ahead of 1930

Canada Bud Breweries Ltd. is reported to be showing a turnover of some 30 per cent in advance of the output in the first six months of 1930 and from semi-official sources it is understood that earnings may run as high as $3 per share on the increased capitalization. While it is somewhat early in the year to predict share earnings with any degree of certainty reports to the effect that the company is having a very successful year are admitted and it is also pointed out that increased production is secured with no great increase in overhead. No official consideration has been given to increasing the dividend of the company's stock in the near future it is understood. The current rate is $1 a year.

During the current year, a second bottling unit has been placed in operation to do away with the necessity of running the former bottling plant up to 22 hours a day in three shifts during the rush season. The two bottling machines are reported to be running 12 hours daily at the present time and on occasion have both been operated for 16 hours a day. The demand is understood to be large enough so that the company has not been able to keep any supply of bottled goods on hand. The months of July, August and September are the peak months of the year.

Increase Capitalization

The company increased its cellar capacity to 25,000 bbls. in 1930 and, with the operation of the second bottling machine, is in a good position to supply an increase in demand. One of the few Canadian companies to refrain from issuing a balance sheet or other figures that would give investors an indication of its financial position, the company is reported to have earned some $2 per share on the 126,000 common shares outstanding at the end of the last fiscal year, December 31, 1930. During the current year an additional 24,000 shares of common have been issued bringing the amount of stock issued and outstanding to 150,000 shares.

The company's products are marketed solely in Ontario and while Toronto is the nearest and largest market it is stated that shipments have been made as far west as Port Arthur and that substantial shipments have been made to many points in southern Ontario. If demand continues to increase it is understood that there is some possibility of plant extensions being made at some future date. The site presently owned is of sufficient size to take care of any future expansion that may be necessary.

BILTMORE HAT HOLDS POSITION IN FIRST HALF

Earns Preferred Dividend 1.8 Times—Inventories Reduced

Net profits of Biltmore Hats Ltd. in the six months ended May 31 amounted to 1.8 times preferred dividend requirements for the period after due allowance for depreciation, according to F. R. Ramsey, president of the company, in a comprehensive letter forwarded to shareholders. Profits were attained in spite of an appreciable reduction in dollar value and physical volume of sales.

Under normal conditions, it is understood, the business of the company is distributed fairly evenly between the first six months and the last six months of the fiscal year. Preferred dividends were earned 1.65 times in the year ended Nov. 30, 1930, so that the rate of earnings during the first six months of the current year, of 1.8 times requirements, is slightly higher. While business may be somewhat less in the last six months of the current year than in the corresponding period of 1930, it would appear that earnings for 1931 would be at approximately the same level as in 1930 when $11.50 was earned on each share of preferred stock.

Retires More Preferred

During the current year, the company has redeemed 65 shares of preferred stock of $100 par value leaving 2,920 shares outstanding. In 1930, $1,500 of preferred was retired.

Sinking fund requirements call for the setting aside of 10 per cent of the net earnings of the previous fiscal year after preferred dividends, depreciation and income tax, for the retirement of preferred stock. In the year ended November 30, 1930, $1,325 was set aside for this purpose.

The company was affected in 1930 by declining commodity prices and curtailed consumer demand but the former factor is stated by Mr. Ramsey, to be no longer a serious problem. Sales volume on the other hand, conforming to the general experience throughout Canada, particularly in the west, has not only failed to show an improvement but has been still further reduced. The company, however, is stated to have more than maintained its position in the trade.

Cash Position Improved

Economies effected both in direct costs of manufacturing and in general overhead have been such that a relatively moderate advance in sales volume would result in a very considerable increase in earning power. Officials of the company are confident that both from the standpoint of operating costs and of qualify of merchandise the company is in an excellent position to take fullest advantage of improving conditions as and when they appear.

As at May 31, 1931, the inventory stood at $175,161 as compared with $190,435 at November 30, 1930, the end of the previous fiscal year, a reduction of 8 per cent, and 20 per cent below the inventory of $213,877 carried on May 31, 1930. Current assets are stated at $306,915, 4.85 times current liabilities.

Can. Celanese May Construct Print Works

MONTREAL.—Canadian Celanese Ltd. has under consideration a plan for construction of a print works. As yet no definite decision has been arrived at; it is known that such a proposal has been discussed by the management.

Hitherto, the company has not done any of its printing in its plant at Drummondville; installation of new equipment would involve a substantial sum of money. There are comparatively few print works in Canada and a large volume of this kind of material is imported each year.

Canadian Celanese recently completed a $2,000,000 expansion programme which increased capacity by nearly 50 per cent. The plant is operating full and demand, in some cases, still outstrips production. Though prices have been reduced it is understood that earnings have been maintained on account of the increase in output and consequent saving in operating costs.

WEST. BREWERIES CUTS BANK LOANS; PROFITS LOWERED

Brandon Brewery Property is to be Leased by Company

Volume of business of Western Breweries, which sells its products in Manitoba and Saskatchewan, has been affected unfavorably to some degree by Western agricultural conditions. Business has held up well in Manitoba but Saskatchewan generally shows considerable decline. The company, however, is maintaining and improving its working capital position as dividends on the common stock were suspended some time ago and are not likely to be restored until there is a definite improvement in Western conditions.

The company redeemed $50,000 of its $500,000 bond issue when the first installment fell due last January. Bond interest due on July 1 was paid as usual. There has been some reduction in borrowings from the bank which were incurred when the company modernized its Winnipeg plant. The company proposes to concentrate on the further reduction of its bank indebtedness.

Abandon Brandon Brewery

The Winnipeg brewery is operating on a fair scale and operations are also moving along at Moose Jaw and Saskatoon. Some technical difficulty was encountered last fall at the Saskatoon brewery but this has been remedied and sales are steadily improving.

The brewery property at Brandon is not operating. Operations were suspended there about a year ago and the plant has been used as a warehouse for Drewry's ginger ale. Arrangements are being made to lease the Brandon premises.

Ginger ale and soft drink sales show a satisfactory increase over a year ago. At one time the company enjoyed a substantial sale, particularly for Drewry's ginger ale, in Eastern Canada, but the price-cutting and keen competition among other large producers in the East has actuated the company in withdrawing from the Eastern field, and it is unlikely that any serious effort will be made to widen the market area for the company's ginger ale business until competitive conditions become easier.

Cut Operating Costs

Various economies have been effected in operating costs. In the plant in Winnipeg alone, economies effected during the first six months of the year amounted to more than $50,000.

Lack of volume of business has, of course, made it difficult to show profits but the company is maintaining its depreciation reserves, writing off the full monthly allotment and showing small profits in addition. Depreciation runs about $150,000 per annum, and this money, of course, is available for reduction of bank loans.

At one time the company was reported to be interested in a small brewery at Kenora. Later this was denied. The situation with regard to Kenora is that the company experimented with the plant there but did not assume any liabilities in connection with it and after one summer's operations gave up the connection entirely.

All of the company's breweries are in first-class condition and the company is fortunate in having no programme of capital expenditures ahead of it at the present time.

Common stock of Western Breweries is listed on the Winnipeg Stock Exchange and enjoys a limited market at around $2.50 per share.

Producers Milling Plans Flour Mill in Melfort

From Our Own Correspondent

MONTREAL. — Producers Milling Co. of Saskatchewan proposes to erect a flour mill of 500 tons daily capacity in Melfort, Sask., together with a 100,000 bushel storage elevator, if present plans mature. The project, it is stated, would be financed partly by shares sold in the district and partly by English capital.

The mill would be built in two units; the elevator would include a reconditioning and cleaning plant. It is claimed that flour mills in Saskatchewan account for less than 10 per cent of the flour ground in Canada.

Reid-Newfoundland Gains Legal Decision

From Our Own Correspondent

MONTREAL.—Judgment in favor of the Reid Newfoundland Co. has been given in the first of a series of actions taken by the Newfoundland Government, seeking forfeiture of timber land leases in the Gander area.

The Government alleged that license conditions had not been observed by the lessees while the defendants contended that the special legislation under which the leases were given, suspended the license conditions.

An appeal against the judgment has been filed by Government counsel.

Alberta Creamery Output Gains

The Central Alberta Co. at Alix produced one million pounds of creamery butter during the past year, and it is predicted that the amount will be increased by 50 per cent during the present year.

REPORT GAIN IN SIX MONTHS FOR CITY DAIRY

Dairy Corp. Subsidiary in Winnipeg Shows Progress

City Dairy Co. of Winnipeg, subsidiary of Dairy Corp. of Canada, is reported to have shown steady progress during the past year and sales during the first six months of 1931 are reported at $842,741, an increase of $21,167 over the same period of 1930. Net earnings at $59,089, show an increase of $19,658 for the period. Net earnings for 1931 are estimated at $140,000 by the management which compares with $121,805 shown in 1930, before bond interest and depreciation. If the estimate of the management is attained the company will earn over five times bond interest requirements in the current year.

While Dairy Corp. of Canada controls the common stock, there is a substantial direct public interest in the 8 per cent cumulative and the 7 per cent non-cumulative preferred stocks, chiefly in the west, and also in the 6 per cent first mortgage bonds of the company.

Bond Interest Well Earned

In the six months ended June 30, bond interest charges amounted to $13,120, being earned some 4.5 times. Provision for depreciation was $17,799, leaving $28,170 applicable to income tax, dividends on the two preferred issues and on the common shares. An initial dividend of $1 per share was paid on the 18,600 shares of common stock on April 1, 1931.

The balance sheet as at June 30, 1931, shows total assets of $1,190,451, of which $163,802 is current. Current liabilities amount to $117,993, leaving a working capital of $45,809. Investments in subsidiaries are carried at $138,083; miscellaneous assets at $42,186; fixed assets, less depreciation, at $746,380 and goodwill at $100,000.

The chief items among current liabilities is $45,839 of bank loans and cheques outstanding accounts payable of $38,336 and tickets outstanding, etc. of $16,116. First mortgage bonds outstanding total $430,600; reserves are shown at $34,025. There is $250,000 of 8 per cent preferred and $200,000 of 7 per cent preferred outstanding and 18,600 shares of no par value common, the last item being carried at $118,000. Surplus amounts to $39,833. There is also a contingent liability of $140,816 which is largely technical, the obligation having been turned over to Dairy Corp. The company is one of the chief milk distributors in Winnipeg, having started business in 1921. In December, 1929, it was acquired by Dairy Corp.

Foundation Co. Get Contract on Saint John Harbor

From Our Own Correspondent

MONTREAL. — Foundation Co. of Canada has been awarded a contract for restoration of berths 5, 6 and 7 up to and including the shed floors in the fire swept section of Saint John harbor. Three other piers will be restored by the Northern Construction Co. and J. W. Stewart Ltd.

There is much work to be done in removing wreckage before actual construction can be carried out. Operations, however, are being speeded by day and night shifts of ten hours each on the Canadian Pacific Railway property which, it is claimed, will be in working order by the opening of navigation next winter.

A notice of motion providing for a loan not exceeding $10,000,000 to Saint John Harbor Commissioners has been placed on the order paper in the House of Commons by Hon. Alfred Duranleau, Minister of Marine. The amount originally intended to be lent this year by the Dominion Government had been $3,500,000, but owing to the fire this amount has been heavily increased.

Sir Alexander Gibbs, harbor expert will shortly inspect the damage done at Saint John and recommend details of rebuilding it.

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Current Events in the Banking World

STRONG POSITION CANADIAN BANKS DRAWS COMMENT

Commerce Official Outlines Reasons for Strength

High tribute to the stability and efficiency of the Canadian banking system was paid last week by A. J. Reynolds, special representative of the Canadian Bank of Commerce, addressing the International Lions Club convention at Toronto.

"A sound banking system is after all the backbone of a nation's trade," said Mr. Reynolds. "Without a good banking system and safe banks, a feeling of uncertainty soon develops into a feeling of uneasiness and in turn this develops into a feeling of mistrust, hysteria and panic. In the course of my travels, I find that next to our laws, United States citizens admire our banking, and rightly so, for in this period of business inertia through which we are all passing, the Canadian does not even stop to question or even admire how marvellously our banks are standing the gaff as compared to those of other similarly situated countries.

Four-fold Purpose

"The purposes of a bank are four-fold in the order named:

1. To provide a safe place where the public may keep money and valuables.
2. To loan its own money paid in by its shareholders and deposited by the public safely at a profit.
3. To act as an agent for the collection and remission of money.
4. To provide the public with a convenient currency in the shape of its own promissory notes intended to circulate as money.

"The principal one, that of providing a safe place for money and valuables, is really the meaning of "bank." A modern bank, as you are aware, is equipped with safes and vaults for the holding of money and the bigger the bank the better and more elaborate these arrangements are and today, by various devices, as far as external robbery is concerned, the safes and vaults of the modern bank are almost impregnable. However, internal robbery is to be provided against and there is no enemy more dangerous than the one within the ranks and the failure of banks caused by the betrayals of trust or mismanagement by its officers have been the chief causes of losses.

"One of the chief differences between the Canadian bank and those of the U. S. A., is that we use the branch bank system. A system of large strong banks, few in number, but with branches reaching out over the whole country. This method enables us in Canada to place strong banks in towns, and hamlets even, that could not otherwise have a bank at all. A village of 500 population has as good a banking service as a city of the same number of thousands. It enables money to be automatically transferred to localities where funds are scarce from places where money is surplus. It enables us to carry weaker portions of the country over its difficulties by nursing such places along until they recover.

"I feel certain that were we not operating under the branch system in the past two years whole areas in certain parts of Canada would be bankless today. I know the argument is often advanced that individual banks have the community interest more at heart as they are composed entirely of local men and capital. Is not that very feature too often a weakness? Such men may not have proper judgment perspective on loaning the trust funds they have, through too much local sympathy, pressure, friendship, blood ties etc., and in smaller places individual banks being necessarily a small capital would find all their resources tied up or swept away in loans of this nature. Under our system branch managers are usually given free enough latitude in loaning to suit their communities, and in their larger loans they have the advantage of consultation with the broader experience of a trained staff at Head Office to steer them away from pitfalls they might easily enter. If a loan is sound it is pretty sure to be authorized.

"I think that the reasons for our satisfactory banking experience in Canada is due largely to the following features:

Adequate capitalization.
Liquidity of loans.
Proper internal and external inspection and audit.
The branch banking system."

Banking System Gaps Await Central Bank

London Statist Points to Alleged Weaknesses in Present Set-Up—Present Efficiency Praised

Reprinted from the London Statist

Canada is one of the few countries of the world unable to boast of a central bank. The control of credit is vested in the commercial banks and in the Government Department of Finance. The latter is staffed by civil servants who can lay no particular claim to being experts on banking or economic matters. The Treasury Board, which is the final authority over the Department of Finance, consists of cabinet ministers, that is, of politicians who, in their turn, can scarcely be expected to combine their political activities with a specialized knowledge of banking and finance.

Post-war developments have helped to stress the need for a more orthodox organization of the control of currency and credit in the Dominion, and of late years there have been repeated demands for the setting up of a central bank. In 1923, and again in 1928, the matter came before the Government, but on both occasions a decision was deferred, pending the receipt of more conclusive evidence. A few weeks ago the proposal was again discussed in the Federal Parliament at Ottawa, but was strongly opposed by Government spokesmen. The hesitation that has been shown in establishing a central banking system, such as exists in almost every civilized country of the world, must in large part be explained by the efficiency displayed by the chartered banks in performing those credit control functions which now fall to their lot. The best banking ability in the world, however, cannot remedy the tendency to rigidity in the structure of credit which is present under the existing banking legislation in Canada.

How Notes Are Issued

Canadian chartered banks are by law allowed to issue their own notes up to an amount equal to their paid-up capital. The rigidity of this limit is remedied by allowing additional notes to be issued against a deposit of gold or Dominion notes in the Central Gold Reserves maintained by the Government. Dominion notes are issued by the Government and though a gold reserve is maintained against them, the Government are not committed by law to keep this reserve above a certain absolute or relative figure. Up to 1915 a 25 per cent gold reserve was necessary, but in that year the Government were authorized to make an extra issue of $26,000,000, with no reserve of gold. A special provision to the effect that in case of war or panic Dominion notes may be issued to any amount against approved securities is still in force.

Dominion notes are, therefore, the truly elastic element in the circulation, though for the most part they are merely obtained by chartered banks and redeposited by these institutions against additional issues of their own notes. The chartered banks obtain these Dominion notes by way of advances granted by the Department of Finance under the pledge of approved security. Such security includes Canadian Government and municipal securities, promissory notes and bills of exchange drawn for agricultural, industrial and commercial purposes.

An important point to note is that the rate at which the Department of Finance is prepared to make advances or to rediscount such securities is far more rigid than is the case with the official discount rate of a central bank.

The drawbacks of the Canadian system are self-evident. Control and responsibility are divided. The chartered banks are the determining factors in credit policy. Seldom does initiative for the expansion or contraction of credit come from the Department of Finance. The experienced bankers who guide the affairs of the chartered banks may be relied upon to extend their commitments wisely and not to endanger the liquidity of their institutions. Nevertheless, their particular concern is primarily for the position of the particular bank with which they are personally connected.

It is not their function to take into account the banking situation in the Dominion as the one corporate whole which it undoubtedly constitutes. They have, for example, no immediate responsibility for the stability of the currency, although they are primarily responsible for the issue of currency and for the control of the volume of credit. The Department of Finance should be the authority concerned with the safeguarding of the monetary system and the maintenance of an effective gold standard. But as we have seen, it does not command the requisite specialized knowledge of practical finance, while in other ways it is not equipped to fulfil efficiently all the functions of a true central bank. Its rediscount rate is not, in fact, the basic rate in the credit structure of the country, and cannot claim to have that fundamental influence, if only for the fact that the department has no power of dealing in the open market and thus does not possess the means of enforcing on the banks any policy it may have in view.

It is evident that a central bank, if established in Canada, would merely tend to duplicate many functions which are already admirably performed under the existing system. For example, it could scarcely be expected to increase the mobility of credit which has been brought to a high standard by the branch banking development. The existing clearing machinery, too, would appear to leave little to be desired. But there are a number of gaps in the existing system which will only be satisfactorily filled when Canada will have set up a central reserve bank.

LOANING BANK FACES OPPOSITION BEFORE COMMONS

Service Loans and Finance Has Difficulty Obtaining Charter

Members of the House of Commons showed little sympathy last week for a bill to incorporate another "personal loan" company in Canada. The bill which was to incorporate the Service Loan and Finance Corp., originated in the Senate and that body had already approved its provisions and had sent it down to the banking and commerce committee for consideration. The banking and commerce members, however, in spite of support of the measure by G. D. Finlayson, superintendent of insurance, turned it down by a vote of 8 to 7. Subsequently the matter was aired in the House of Commons two days later, where reconsideration by the banking committee was asked, but the bill was talked out.

Objection last week apparently centred around the fact that under the special provisions under which such companies operate, actual interest charged on loans to private borrowers, runs between 17 and 18 per cent. The nominal rate of interest is 7 per cent, plus a 2 per cent service charge, but these sums are subtracted from the amount of the loan when it is made, and as repayment by the borrower is on either a weekly or monthly basis the net result is that the face value of loan is actually outstanding for only half the period for which interest is charged, which virtually doubles the rate of interest.

Service Loan and Finance Corporation sought incorporation from Toronto. The company proposed to take over the Morris Finance Corp. and the Service Finance Corp. both of which are incorporated in Ontario. Morris Weiss is manager of Morris Finance Corp.

According to G. D. Finlayson's evidence at Ottawa, Service Loan's new federal articles of incorporation were exactly similar to those of the Central Finance Corp. and other similar organizations which have received Ottawa charters. Central Finance, for instance received its charter several years ago and has been operating in Toronto since 1928. Surprise was expressed by some members of parliament that the present application should be turned down when similar companies were already operating under the direct supervision of the superintendent of insurance.

The controversial clauses in the proposed loan company charter, which roused the ire of parliamentary members are as follows:

"(b) notwithstanding anything contained in the Interest Act or in the Money Lenders Act, or in paragraph (c) of section 63 of the Loan Companies Act—

The company may:

"(i) lend money secured by assignment of choses-in-action, chattel mortgages or such other evidence of indebtedness as the company may require, and may charge interest thereon at the rate of not more than seven per centum per annum, and may on all loans deduct the interest in advance and provide for repayments in weekly, monthly or other uniform repayments: provided that the borrower shall have the right to repay the loan at any time before the due date, and, on such repayment being made, to receive a refund of such portion of the interest paid in advance as has not been earned, except a sum equal to the interest for three months,

"(ii) charge, in addition to interest as aforesaid, for all expenses which have been necessarily and in good faith incurred by the company in making or renewing a loan authorized by the next preceding sub-paragraph (i), including all expenses for inquiry and investigation into the character and circumstances of the borrower, his endorsers, co-makers or sureties, for taxes, correspondence and professional advice, and for all necessary documents and papers, two per centum upon the principal sum loaned."

Bank Chat

The Bank of Nova Scotia announces the following appointments:

F. D. DUNN, formerly of the relieving staff, has been appointed assistant manager at St. John's, Nfld.

H. B. NELSON has been appointed manager at Milo, Alta.

J. K. WOOD has been appointed manager at Queenstown, Alta.

H. A. JOHNSON has been appointed acting-manager at Glaslyn, Sask.

R. A. BURDETT has been appointed accountant at New Westminster, B.C.

The Canadian Bank of Commerce announces that branches at Ramsack, Sask., and Swan Lake, Man., will be closed on July 31.

Dominion Bank announces:

A. SMITH has been appointed acting manager at Notre Dame Avenue Branch, Winnipeg, Man.

J. E. MALLETT has been appointed accountant at Winnipeg, Man., branch.

Weekly Bank Clearings

Eastern Cities

	July 17, 1930	July 16, 1931
Halifax	$ 3,389,605	$ 2,779,240
Saint John	2,550,082	2,043,673
Sherbrooke	923,934	504,333
Quebec	7,293,493	6,095,518
Ottawa	7,686,313	5,398,831
Montreal	147,800,510	97,477,927
Kingston	809,094	675,565
Peterboro'	1,053,990	753,385
Toronto	111,942,066	91,291,436
Hamilton	5,512,610	4,641,487
Kitchener	1,259,404	958,605
Brantford	1,006,869	887,449
London	3,020,340	2,653,402
Chatham	641,762	448,322
Windsor	4,602,909	2,981,410
Sarnia	665,283	439,842
Sudbury	1,267,182	757,984

Western Cities

	July 17, 1930	July 16, 1931
Fort William	$ 869,804	$ 639,800
Winnipeg	46,787,944	38,769,179
Brandon	462,863	350,160
Regina	4,893,551	2,948,035
Moose Jaw	528,936	629,508
Saskatoon	2,030,861	1,470,010
Prince Albert	425,195	323,081
Edmonton	5,441,173	4,413,866
Calgary	6,804,665	6,224,529
Medicine Hat	270,308	219,889
Lethbridge	576,954	384,585
Vancouver	18,511,660	13,891,746
New Westminster	876,462	517,359
Victoria	2,586,054	2,586,054

69 CANDIDATES AWARDED C.L.U. BY ASSOCIATION

List of Successful Candidates in Underwriters' Exams. Published

Announcement is made by the Life Underwriters Association of Canada of the appointment of 69 new chartered life underwriters.

Examinations were held throughout Canada in April last, and the following successful candidates have been granted the right to use the title Chartered Life Underwriter of Canada.

Alberta

Calgary—G. Charman and P. C. Haigh, Confederation Life; E. Harris, Mutual Life; M. McElroy, Ontario-Equitable.

Edmonton—R. B. Brooks, Sun Life; E. L. Churchill, Great West; J. A. Thompson, London Life.

Lethbridge—J. F. J. Aylward, Canada Life; A. E. Russell, Metropolitan.

Provost—C. M. Horner, Mutual Life.

Saskatchewan

Humboldt—F. W. Moersch, London.

Moose Jaw—B. B. Gofine, Great West.

Regina—K. S. Waldron, Manufacturers.

Saskatoon—J. G. Pettigrew, Confederation.

Manitoba

Brandon—M. R. MacKenzie, North American.

Winnipeg—J. J. Bannerman, London; Miss Hope E. Burnham, Imperial; M. C. Halstead, Manufacturers; H. Harden, Sun Life; L. J. Meyer, London; L. C. Welsh, London; H. H. Wilson, Sovereign; J. E. Yarnell, Sun.

Ontario

Fort William—H. L. Porter, Monarch.

Guelph—V. C. Smeaton, London.

Hamilton—G. W. Robinson, Mutual of Canada.

Kitchener—O. E. Cameron, Sun.

London—R. S. Adam, Ont. Equitable; H. E. Armstrong, New York; G. C. Francis, Mutual of Canada; W. H. Hutchinson, Manufacturers.

Niagara Falls—F. M. Darker, Mutual of Canada; Miss L. R. Hyatt, Mutual of Canada.

Ottawa—J. A. Beausejour, Confederation; W. H. Gardner, London; A. Wetmore, Canada.

Peterboro—W. A. J. Giles, Confederation.

Port Colborne—J. R. Thompson, Sun.

Renfrew—F. A. Wade, New York.

Sarnia—C. C. O'Neil, Canada.

Stratford—E. G. Davis, Canada.

Sudbury—H. P. Charlton, Sun; W. B. J. Fraser, Sun.

Timmins—J. R. McGerrigle, London.

Toronto—W. W. Bonnell, North American; H. N. Colthurst, Sun; G. F. Crum, Crown; A. A. Dodge, Canada; J. S. Green, Sun; J. H. A. Harper, London; M. E. Hartley, Prudential (Eng.); W. N. Marshall, Canada; D. Mennie, Metropolitan; Mrs. K. M. Milsom, London; M. Raisman, Capital; H. M. Redmond, Metropolitan; G. A. Reid, London; B. W. Robinson and W. B. Robinson, Mutual Life & Citizens; E. E. Trent, Crown; A. E. Wall, London; H. Wrigglesworth, Canada.

Weston—A. W. Eckenswiller, Sun.

Quebec

Montreal—J. M. Brown, London; L. C. Monk, Canada.

Sherbrooke—W. W. Murray, Sun.

New Brunswick

St. John—F. A. Nicholson, Manufacturers.

Prince Edward Island

Charlottetown—C. H. Black, Mutual of Canada; B. H. Hughes, Manufacturers.

High Interest Rates Not Yet Criminal

Criminal penalties for chartered banks which charge more than 7 per cent interest as provided by the Bank Act, have disappeared for the time being, following failure of the motion of A. E. Spencer of Battle River to pass the House of Commons recently.

The house resumed discussion of Mr. Spencer's bill which would make it a criminal offence for banks to charge more than 7 per cent as now set forth in the Bank Act, and as no member desired apparently to discuss the bill, Mr. Spencer explained that he was perfectly willing to have it amended if the penalties he had outlined were too severe. Mr. Spencer asked, therefore, that if the Bill be given a second reading, he would move that it be referred to the Banking and Commerce Committee for further consideration. The motion was lost, however, and accordingly disappeared.

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SURVEY EXPLAINS VARIOUS TYPES QUEBEC MUTUALS

Business in Force Totalled $236,000,000 at End of 1929

Operations and activities of the parish and municipality mutuals of Quebec, are explained in a survey of provincial fire insurance companies serving that province, made in the current issue of the Economic Annalist, published by the Department of Agriculture, Ottawa. In all there are five types of company serving this field, including (in addition to the joint stock companies with federal or provincial license) cash mutual companies, strictly mutual concerns and municipality and parish mutuals. Total business on the books of these four latter groups amounted to $236,000,000 at the end of 1929.

Parish mutuals it is pointed out, are established independently of the council of the municipality, and can be formed by 25 freeholders residing in any parish or local municipality in Quebec, five of whom shall be directors. Property situated within such parish or local municipality as well as the grain, hay, fodder, agricultural implements and furniture in or upon the property can be insured against fire, lightning, and wind, or against fire, lightning or wind separately. The company may fix rates for policies of insurance in a village, at one hundred per cent more than in a parish.

Members Deposit Notes

Before receiving his policy, every member of the mutual must deposit a note payable on demand to the company only, for a sum of money proportioned according to the classification of risks established by the directors. Part of such money may be demanded before the issuance of the policy to defray expenses, the remainder being payable in whole or part at any time the directors deem it necessary.

Whenever any loss or damage by fire is ascertained and payable by any such company, the directors determine the sums to be paid by each member as his portion of such loss, and publish a notice in the manner provided by the by-law of the company. The sum to be paid by each member is always in proportion to the original amount of his deposit note, and must be paid to the treasurer within thirty days next after the publication of such notice.

Municipality mutual companies are established under the "Quebec Insurance Act" by the council of any rural municipality in order to keep insured against accidents by fire, or fire and lightning, and wind, any building erected upon taxable land within the municipality, as well as any grain, hay, fodder, household furniture and agricultural implements contained in such buildings. These companies are not inspected by the government but they are subject to the formalities of a license and registration and they furnish a detailed report of their operations each year. Each company is under the control of the council of the municipality in which it is established.

"The council may, if authorized by the majority of the insured present at the first meeting, levy twenty-five cents per one hundred dollars of the amount insured, to establish a reserve fund, and shall levy annually an amount sufficient to meet all the damages, the amount of which shall have been established, and to pay all the obligations and matured debts of the company. This amount shall be levied by means of a tax imposed upon each building insured, in proportion to the amount of its valuation and of that of the valuation of its contents, as shown on the valuation roll or in proportion to the amount of the insurance thereon as the case may be."

This tax is collected in the same manner as municipal taxes and has the same privileges. The company is responsible to each of its members for two-thirds of the damage caused to the property insured under the term of contract or to an amount not exceeding two-thirds of the maximum amount of the insurance if there is a by-law fixing such amount.

"It is somewhat difficult," says the Economic Annalist, "to determine the cost per $1,000 insurance in different classes of companies, since they do not operate upon the same basis. Figures reproduced below from the Quebec Year Book, show, however, that the cost of insurance in force in the municipality mutuals and the parish mutuals which is respectively $1.05 and $2.78 per $1,000 is very low compared with the average rate of $8.09 for the whole Dominion.

The weighted average cost per $1,000 of insurance for the twelve-year period from 1918 to 1929 was $1.50 for the municipality mutuals and $2.40 for the parish mutuals.

These co-operative fire insurance companies have operated successfully in Quebec for over twenty years and have been of much benefit to farmers through protection against fire losses at comparatively low cost.

FIRE INSURANCE COMPANIES IN QUEBEC

	Paid-up Capital $	Insurance in force $	Assets $	Liabilities $	Receipts $	Disbursements $
Stock Companies†	2,777,516	62,986,288	26,405,533	23,085,729	5,806,838	4,394,180
Stock and Mutual Cos.	338,000	86,092,709	2,732,692	472,315	1,046,618	876,195
Strictly Mutual Cos.	(No. 12)	55,518,256	1,283,754	260,410	283,636	223,419
Municipality Mutuals	(No. 49)	11,905,179	98,972	3,565	14,168	12,549
Parish Mutuals	(No. 175)	83,223,834	4,240,796	70,882	239,895	231,848

†Stock companies are doing fire, life, guarantee and accident insurance business.

Great West Life Expands in U. S. A.

Expansion of Great West Life into State of Washington is announced from the company's head office at Winnipeg. The company is now licensed to do business there and will commence operations immediately.

At present, offices are being opened in Seattle with F. W. Renworth, formerly district manager in Vancouver, B.C., as state manager. Offices will be established in other cities throughout the state as rapidly as necessary. The company has already nearly one thousand policyholders in the state.

The company also operates in Michigan, North Dakota, Illinois and Minnesota.

MUTUAL SCHEME FOR MOTORISTS

Quebec Safety League Studies Shareholder-Member Insurance

A mutual insurance plan for motorists is being studied by officials of the Province of Quebec Safety League.

According to the plan, motorists would join the company as shareholders and as insured. They would pay premiums at similar rates to other insurance companies, but would receive a share in the profits of the company after a certain percentage of the profits had been placed in a reserve fund.

League members feel that such a plan would not only reduce insurance premiums, but would do much to further safety on the streets and highways, since all motorists who are members of the company, which would be a subsidiary of the Quebec Safety League, would naturally be interested in keeping claims down and thereby enabling the company to operate at the greatest possible profit, to their own benefit as shareholders.

The special committee of the League which is studying the many details and angles of the scheme will report their recommendations to the Traffic Committee in due course.

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Canadian Institutions Are Attractive to Investors; Safe for Deposits

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It is noteworthy that in a period of declining stock values, such as the last, the average price of nine trust and loan stocks listed on the Toronto Stock Exchange was only 1.2 per cent below the level prevailing a year previously. In that same time, the average of eight bank stocks had declined 4.6 per cent, ten public utilities had declined 11 per cent and 20 important industrial stocks had declined an average of 21 per cent.

Learn of these fine stocks

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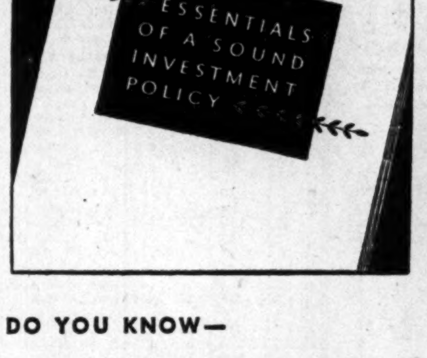

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Every holder of securities can benefit by reviewing the proved principles discussed in this book ... and thus be enabled to think more clearly and act more surely in handling current investment problems.

Send for this book today. It may save you costly experience. Write for booklet FP-71.

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Plan New Winnipeg Bridges

In order to provide further employment the municipality of St. Vital, a suburb of greater Winnipeg, proposes bringing forward certain public improvements, including the construction of a bridge over the Red River, a bridge over the Seine River, considerable paving and construction of new sewers.

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ANNUAL REPORT

For Twelve Months Ended March 31st, 1931.

ASSETS

Land, Buildings and Machinery (Less Depreciation)			$19,666,661.28
Investments in and Advances to Subsidiary Companies			4,399,707.18
Raw Cotton		$667,155.39	
Stock Manufactured and In Process		1,957,603.94	
Supplies		340,671.46	
Cash and Bills Receivable		165,313.09	
Open Accounts		1,901,764.77	
Insurance		106,427.68	
Investments (Liquid) and Call Loans (Less Reserve)		5,889,079.34	
TOTAL LIQUID ASSETS		$11,028,015.67	11,028,015.67
			$35,094,384.13

LIABILITIES

Capital—Common Stock (authorized 350,000 shares; issued 270,000 shares no par value)		$18,375,000.00	
—Preferred Stock		1,940,600.00	
Bonds	$5,172,000.00		
Less redeemed for Sinking Fund	190,000.00		
		4,982,000.00	$25,297,600.00
Loans		1,105,730.40	
Open Accounts and Deposits (including Reserve for Income Tax)		536,079.27	
Allowances for Wages		314,000.00	
" " Interest on Bonds		24,910.00	
" " Preferred Dividend		33,960.50	
TOTAL LIQUID LIABILITIES		$2,014,680.17	2,014,680.17
Reserves (Bad and Doubtful Debts, etc.)			266,552.43
Profit and Loss Account			7,515,551.53
			$35,094,384.13

C. B. GORDON, *Chairman.*
F. G. DANIELS, *President.*

AUDITORS' CERTIFICATE

Audited and verified in accordance with our certificate of audit dated May 4, 1931.
(Signed) P. S. ROSS & SONS, Chartered Accountants, Auditors.

DIRECTORS' REPORT

To the Shareholders:

The financial statement and profit and loss account as at the 31st March, 1931, certified to by your auditors, is herewith submitted.

Sales for the year amounted to $15,307,758.00, a reduction of 20.9% from the previous year. This reduction is due almost entirely to the lower price per yard at which goods were sold throughout the year. Cotton had unusually wide fluctuations, varying from 16.79c. in the opening month of our year to 9.26c. in December, and closed the year at 10.68c., or a difference of 7.53c. per pound between the high and low.

Operations throughout the year varied continuously from month to month, and, as intimated at our last meeting, for the first six months lagged behind the corresponding months of the previous year in both volume and value. During the latter part of September, the new Government revised, in part, the cotton schedule, and afforded a very welcome and necessary relief that was almost immediately reflected in greatly increased operations; but sales were made at extremely close prices and very frequently did not cover overhead requirements. Nevertheless, the situation without the tariff changes would have been a very serious one both for your Company and its operatives, as operations would have been further curtailed.

There has been no change or improvement in the cotton goods situation in either England or the United States.

We have very materially increased the number of looms weaving artificial silk goods, and will shortly commence operations in a plant being installed for the production of cotton and cotton and artificial silk corduroys, velvets and velveteens, through which we hope to materially increase sales.

The plants are in good physical condition, operating under rigid economic conditions, and efficiency is up to expectations.

Your directors desire to express their appreciation of the loyal and efficient services rendered by the staff and employees throughout the Company.

Respectfully submitted,
C. B. GORDON,
Chairman of the Board.

PROFIT AND LOSS ACCOUNT

Twelve Months Ended 31st March, 1931

March 31st, 1931—		March 31st, 1930—	
Interest on Bonds	$300,595.00	Balance at Credit	$7,498,035.29
Premium on Bonds Redeemed	8,350.00	March 31st, 1931—	
Dividend—Pref. Stock	135,842.00	Manufacturing Profit	1,085,350.81
—Com. Stock	1,350,000.00	Interest on Investments	721,952.48
Balance at Credit	7,515,551.53		
	$9,305,338.53		$9,305,338.53

Audited and Verified,
P. S. ROSS & SONS,
Chartered Accountants,
Montreal, May 4th, 1931

C. B. GORDON, Chairman.
F. G. DANIELS, President.

WEEK'S CANADIAN STOCK AND BOND QUOTATION

Montreal, Toronto & Curb Stocks

WEEK ENDING JULY 20

Range 1931 High	Low	Divd. Rate in $	Yield in % July 18		Sales	Close July 13 (or last)	Week Ending July 20 High	Low	Close
13¾	3½	.	...	Abitibi, c.	800	4¼	4⅛	3⅞	3⅞
50	14	.	...	Do. pref.	20	18½	18	18	18
105	105	7	6.7	Do. pref.	....	105	..	..	..
8	7	.	...	Agnew Surp. c.	....	7½	..	..	..
88	84	7	8.3	Do. pref.	....	84	..	..	..
6½	2½	.	...	Alta. Pac. Gr.	....	3	..	..	..
30	15	.	...	Do. pref.	....	15	..	..	..
4	3	.	...	Amal. Electric	....	3½	..	..	..
18	10	.	...	Do. pref.	10	11	11	11	11
3½	2½	25c	...	Anglo N. Hold.	....	..	..	..	..
.50	.25	.	...	Asbestos Corp.	....	.25	..	..	..
2	½	.	...	Do. pref.	....	¾	..	..	..
9	5	1	16.6	Assoc. Brew.	5	6	6	6	6
70	67	7	10	Do. pref.	....	70	..	..	..
10	4	.	...	Assoc. Can.	....	4	..	..	..
69	65	4+50	6.8	Assoc. Tele.	....	66	..	..	..
87	87	6	...	Do. pref.	....	87	..	..	..
37½	12¾	.	...	Atlan. Sugar	25	24	24	24	24
105	79½	.	...	Do. pref.	....	92	..	..	..
174	158½	10	6.1	Bk. Can. Nat.	1	164	165	165	165
303	236½	12+2	5.3	Bk. Montreal	163	264	266	260	265
326	284	16	5.1	Bk. N. Scotia	129	314	314	310	312
238	217	12+1	5.9	Bk. of Toronto	25	219	220	219	219
24	8½	.	...	Barcelona Tr.	....	15	..	..	..
5½	4	.	...	Bathurst Pr.	200	4	4	4	4
4	2	.	...	Do. (B)	....	2	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
25	20	.	...	Do. pref.	....	20	..	..	..
12	6	.	...	Beath & Sons	120	6	6½	6	6
20	12	3	13.3	Beatty Bros.	20	13	15	15	15
80	60	6	8.7	Do. pref.	12	60½	68½	68½	68½
8½	3	.	...	Beauharnois P.	1215	5	5	4½	4½
93	85	7	8.2	Belding Cort.	....	85	..	..	..
100	100	7	7	Do. pref.	....	100	..	..	..
55	10	.	...	Belgo C.P. pf.	....	10	..	..	..
151⅞	127	8	5.7	Bell Telephone	520	139½	139½	139	139
4½	3	.	...	Biltmore Hats	....	3	..	..	..
65	60	7	10.8	Do. pref.	....	65	..	..	..
x22	14	.	...	Bissell, T. E.	....	..	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
20	12	2	10	Blue Ribbon c.	....	20	..	..	..
39½	30	3.25	8.5	Do. pref.	....	39½	..	..	..
22½	14	2	12.9	Brant. Cord. p.	....	15½	..	..	..
28½	12⅞	25c	...	Brazilian Tr.	2981	20¼	21½	17¼	21
x2		.	...	Brew. & Distil.	....	..	..	..	..
16½	8	80c	7.8	Brit. Amer. Oil	4679	10½	10⅝	10	10¼
3½	½	.	...	B.C. Packers	20	1½	1½	1½	1½
22	5	.	...	Do. pref.	....	5½	..	..	..
42½	33	2	5.4	B.C. Power	380	36½	37	35½	37
18	10	.	...	Do. (B)	39	12	11¾	11	11
3	1	.	...	B.E. Steel	....	1½	..	..	..
21	18½	.	...	Do. 1st pref.	....	18½	..	..	..
3½	1⅜	.	...	Do. 2nd pref.	....	2¾	..	..	..
8	4½	.	...	Bruck S. Mills	....	6½	..	..	..
26	16½	2	9.5	Building Prod.	10	21	21	21	21
44½	29½	3	8.6	Burt, F. N.	70	35	35	35	35
146	140	6	4.3	Calgary Pr.	....	140	..	..	..
7⅞	3⅛	50c	11.8	Canada Bread	20	4½	4¼	4¼	4¼
100	87	7	7.9	Do. pref. (A)	....	88	..	..	..
80	55	7	11.5	Do. pref. (B)	....	61	..	..	..
14½	8¾	1	8.3	Canada Bud	460	12	12¼	12	12
18⅞	8¾	.	...	Can. Cement	1441	10½	10¾	10½	10½
96½	86½	6.50	7.3	Do. pref.	70	89½	90	89	89
b45	29⅞	3	7.5	Canada Dry	4700	39	40⅜	37½	40
12	10	1.50	15	Can. Forg. (A)	10	10	10	10	10
x16	5	.	...	Do. (B)	....	..	..	..	..
68	66	3	4.4	Canada Iron	....	66	..	..	..
76	60	6	10	Do. pref.	....	60	..	..	..
16½	10¾	1.50	11.3	Can. Malting	209	13	13⅜	13	13⅜
25½	15	80c	3.2	Can. Nor. Pr.	....	25	..	..	..
107	104	7	6.6	Do. pref.	50	105½	105½	105½	105½
6	1	.	...	Can. Paving	....	1	..	..	..
51	25	7	28	Do. pref.	....	25	..	..	..
216	195	12	6	Can. Perman.	22	200	203	195	195
4.50	.50	.	...	Can. Pr. & Pa.	843	.50	.60	.50	.60
9	3¼	.	...	Can. Steamsh's	....	3½	..	..	..
27	9	.	...	Do. pref.	30	14	14	13	13
20	14½	1.60	9.2	Can. Vinegar	70	18½	18	17½	17½
70	54½	4	6.3	Can. W. Cable	4	63	60	60	60
30½	20	1.75	...	Do. (B)	5	23	20½	20½	20½
16	9¾	.	...	Can. Bakeries	....	9¾	..	..	..
35	35	4	8.5	Do. pref.	....	35	..	..	..
232	199	12+1	6.2	C. Bk. of Com.	86	210	210	208	208½
36½	19	2.50	11.3	Can. Bronze	120	23	22	21	22
110	105	7	6.7	Do. pref.	....	105	..	..	..
13½	8	50c	5.9	Can. Canners	....	8½	..	..	..
92½	82	6	7.2	Do. 1st pref.	64	85	83	82	83
14	8⅝	80c	7.6	Do. 2nd pref.	111	10½	10½	10¼	10½
19	9⅜	1.75	15.2	Can. Car & Fy.	565	11	11½	11	11½
25½	16⅝	1.75	9.4	Do. pref.	370	19	19	18½	18½
14⅛	6⅞	.	...	Can. Celanese	....	10	..	..	..
73½	59	7	9.8	Do. pref.	165	73	73	71	71
58	30	4	12.5	Can. Convert.	....	32	..	..	..
x50	45	.	...	Can. Cottons	....	..	..	..	..
55	51	6	11.8	Do. pref.	....	51	..	..	..
36½	23¾	3	10.3	Can. Dredge	175	29	29½	29	29½
92	92	7	7.6	Do. pref.	....	92	..	..	..
81⅜	79	6	7.6	Can. Fairb. pf.	....	79	..	..	..
6	5½	.	...	Can. For. Inv.	....	5½	..	..	..
80	80	8	10	Do. pref.	....	80	..	..	..
300	200	4	1.9	Can. Gen. Elec.	....	210	..	..	..
63½	59½	3.50	5.6	Do. pref.	50	62	62	62	62
80	52	6	8.57	Can. Hdy. E. p.	75	73	72	70	70
5½	1¼	.	...	Can. Ind. Alc.	105	2½	3	2	2½
3½	¾	.	...	Do. (B)	....	1	..	..	..
5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
70	67½	5	7.1	Do. pref.	....	67½	..	..	..
42	15	1	4	Can. Lt. & Pr.	....	25	..	..	..
18	18	.	...	Can. Locomo.	....	18	..	..	..
25	10	.	...	Do. pref.	....	10	..	..	..
b4½	1⅛	.	...	Can. Marconi	4500	2½	2⅝	2½	2⅝
23½	9	1	8.9	Can. Oil	10	11½	11½	11½	11½
120	100	8	8	Do. pref.	....	100	..	..	..
45½	24¼	1.25	4.7	Can. Pacific	2832	27	27	25⅝	27
6½	5	.	...	C. Pr. & Pa. In.	....	5	..	..	..
6½	2⅛	.	...	Can. Vickers	50	3	3	3	3
35	16	.	...	Do. pref.	....	20	..	..	..
6	2½	50c	12.5	Can. Wineries	65	3¾	4	4	4
16	9	1	11.1	Can. Wire Box	....	9	..	..	..
3	⅝	.	...	Carling Brew.	150	⅝	⅞	⅞	⅞
12	12	.	...	Catelli Mac. A.	....	12	..	..	..
5	5	.	...	Do. (B)	....	5	..	..	..
301	290	12+3	..	Cent. Can. Loan	....	300	..	..	..
5.35	1.50	.	...	Chem. Research	2370	2.15	2.15	1.95	2.15
64	57	2	...	City Dairy	....	60	..	..	..
x155	120	7	...	Do. pref.	....	..	..	..	..
20.25	10.00	30c(c)	..	Cities Service	5	10.75	10.75	10.75	10.75
10	4¾	.	...	Cockshutt Plow	135	5½	5½	5	5
9	3	.	...	Comm. Alcohol	15	3	4	4	4
9	4	.	...	Conduits	....	4	..	..	..
94	84	7	7.8	Do. pref.	....	90	..	..	..
12⅞	7½	1	10	Cons. Bakeries	150	10	10	10	10
3	½	.	...	Cons. Food Pr.	....	¾	..	..	..
6	3	.	...	Do. (A)	....	3	..	..	..
18⅝	10¼	80+20c	6.6	Cons. Indust.	530	15½	15¼	15	15¼
31	25	2	7.7	Cons. Press	75	25	26	26	26
80	62	7	11.3	Cons. Sand. pf.	....	62	..	..	..
188¼	71¼	2.50†	2.6	Cons. Smelters	4014	99	99	87½	95
187	180¾	10	5.4	Consumers Gas	246	184¼	184¼	184¼	184
x35	30	.	...	Cooksville Co.	....	..	..	..	..
x85	85	4	...	Do. pref.	....	..	..	..	..
20½	15	.	...	Corporate Steel	....	15	..	..	..
x90	90	.	...	Corr. P. Box, p	....	..	..	..	..
2.10	1.00	.	...	Cosgrave Brew.	....	2.00	..	..	..
9	5	.	...	Cosmos Imp.	....	7	..	..	..
93	75	7	9.3	Do. pref.	50	75	75	75	75
6½	2	.	...	Crown Dom. Oil	280	4	3½	3	3
15	8¼	3	...	Crow's N. Coal	....	13	..	..	..
5	4	.	...	David & Fre. B	....	4	..	..	..
12½	12½	.	...	De Havilland	....	12½	..	..	..
x15	8	.	...	Disher Steel	....	..	..	..	..
x18	17	1.50	...	Do. pref.	....	..	..	..	..
12⅞	8	.	11.7	Distill-Seagram	700	9	9	8½	8½
223	208	12+1	6.2	Dominion Bk.	82	209	209	208	208
55¾	27¼	3	9.3	Dom. Bridge	1935	32½	33¾	29¾	32¼
40	40	.	...	Dom. Coal	....	40	..	..	..
50	15	.	...	Dom. Engineer	150	18	18	18	18
x14	10	.	...	Dom. Found.	....	..	..	..	..
126	90	7	7	Dom. Glass	15	100	100	100	100
125	119	7	5.6	Do. pref.	....	125	..	..	..
20	20	.	...	Dom. Iron, pf.	....	20	..	..	..
14	10	.	...	Dom. Pr. Stubs.	....	13	..	..	..
24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
8¼	2¾	.	...	Dom. St. & C.B.	60	3⅜	3¼	3¼	3¼
24¼	13¾	1.20	5.4	Dom. Stores	2996	22	22⅝	21½	22⅝
14	7	.	...	Dom. Tar & Ch	145	8	8	7	7
93	80	6.50	8.1	Do. pref.	10	81¾	80	80	80
83	63	5	7.1	Dom. Textile	250	68	70	70	70
123	120	7	5.8	Do. pref.	....	121	..	..	..
12	10	.	...	Donnacona	....	10	..	..	..
7	2½	.	...	Dryden Paper	....	3½	..	..	..
7½	3	.	...	Duff. Paving	204	6	6	6	6
80	68	7	10.3	Do. pref.	....	68	..	..	..
11¾	4	40c	8.8	Durant Motors	100	5	4½	4½	4½
25½	16	1	4.5	East. Dairies	95	22	22	22	22
20	18	1+1	...	East. Steel	....	18	..	..	..
100	97	7	7.2	Do. pref.	....	97	..	..	..
16	16	.	...	East Koot. Pr.	....	16	..	..	..
97	94⅝	7	7.3	Do. pref.	....	96	..	..	..
x34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
3¼	3¼	.	...	Easy Washer	....	3¼	..	..	..
37	34¾	2.50	7.1	Economic Inv't	....	35	..	..	..
15	15	.	...	Edmonton D'y	1	15	15	15	15
80	80	6.50	8.1	Do. pref.	2	80	80	80	80
8	5	.	...	Enam. & Heat.	....	5	..	..	..
40	28¼	3	10.6	Eng. Electric	200	30	28½	28½	28½
16	10	.	...	Do. (B)	....	10	..	..	..
39½	16	2	9.1	Fam. Players	5	22	18	18	18
33½	18	2	11.1	Do. Vot. Tr.	....	18	..	..	..
19	9¾	1	8.6	Fanny Farmer	19	11½	11½	11½	11½
34	28	2.40	7.4	Do. pref.	....	32½	..	..	..
x.25	.10	.	...	Federal Distil.	....	..	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
29¼	14½	1.20	7	Ford Motors A	436	16¾	17⅜	16½	17⅜
15	6	.	...	For. Pr. Secs.	2	12	12½	12½	12½
16½	8½	1	8.3	Foundation Co.	....	12	..	..	..
3.00	.50	.	...	Fraser Cos.	70	1.75	2.00	.50	1.25
25	25	.	...	Fron. Brew. pf.	....	25	..	..	..
8	5	.	...	Frost St. Wire	....	7	..	..	..
96½	85	7	...	Do. pref.	....	88	..	..	..
7¼	2¼	.	...	Gen. St. Wares	200	3⅛	3	3	3
119	70	5+2.50	7.3	Goodyear Tire	11	100	101	100	101
107⅞	94	7	6.8	Do. pref.	46	101	102	100	102
93½	93½	7	7.5	Gould Pumps, p	....	93½	..	..	..
¾	½	.	...	Gt. W. Saddlery	....	½	..	..	..
8	6	.	...	Do. pref.	....	8	..	..	..
31	20	2	8	Gurd, Chas.	255	25	25	25	25
12⅞	7⅛	80c	9.4	Gypsum, Lime.	325	8½	8⅝	8⅛	8¼
20¼	7	.	...	Ham. Bridge	350	8	8⅛	7¾	8¼
80	63	6.50	10.3	Do. pref.	5	64	63	63	63
19	13	2	15.4	Ham. Cotton, p	....	13	..	..	..
4½	3	.	...	Ham. U. Theat	....	3	..	..	..
63	55	7	...	Do. pref.	....	60	..	..	..
12	4	.	...	Hayes Wheel	135	7	6½	6	6
x95	80	.	...	Do. pref.	....	..	..	..	..
x50	50	.	...	Hillcrest Coll.	....	..	..	..	..
x91	91	.	...	Do. pref.	....	..	..	..	..
4	3½	.	...	Hinde & Dauch	....	3½	..	..	..
x120	120	.	...	Holt, Renfrew	....	..	..	..	..
x96½	90	7	...	Do. pref.	....	..	..	..	..
7	7	.	...	Honey Dew	....	7	..	..	..
59	50	7	13.2	Do. pref.	....	53	..	..	..
6	3	.	...	H. Smith Pap.	550	4	4¼	4	4¼
45½	30	.	...	Do. pref.	....	38	..	..	..

Range 1931 High	Low	Divd. Rate in $	Yield in % July 18		Sales	Close July 13 (or last)	Week Ending July 20 High	Low	Close
20	15	2	12.5	Humberstone S	....	16	..	..	..
23½	17	1.40+50	10.5	Hunt (A)	....	18	..	..	..
23½	19	1.40+50	8.1	Do. (B)	....	23½	..	..	..
150	146	8	5.5	Huron & E. M.	....	146	..	..	..
29½	28½	.	...	Do. 20% pd.	....	28½	..	..	..
29⅞	16⅝	1.40	6.8	Hydro Electric	....	20½	..	..	..
225	201	12+1	6.3	Imperial Bk.	24	208	207	207	207
18⅝	9⅝	50+50c	8.1	Imperial Oil	9240	12	12¼	11½	12
10½	9	35+20c	5.7	Imperial Tob.	3777	9⅞	9¾	9¼	9½
b10½	4	.	...	Int. P. & Pr. A	....	22	..	..	..
108	95	7	7.4	Inter. Mill. pf.	60	98	95½	95	95
x92	88	6	...	Do. Series A	....	..	..	..	..
20½	9½	60c	4.1	Inter. Nickel	31399	14	14½	12¼	14½
10	5	.	...	Inter. Paints	....	5	..	..	..
b10½	4	.	...	Int. P. & Pr A	200	6	5	5	..
b6	2½	.	...	Do. (B)	400	3½	3	2⅞	2⅞
b4½	1⅝	.	...	Do. (C)	800	2⅜	2¾	2⅛	2½
b48½	18½	.	...	Do. pref.	500	23½	23⅜	22⅞	22⅞
15½	8⅝	1	8.9	Inter. Pete.	3720	11½	11⅜	10⅞	11
73	60	7	10.1	Do. pref.	150	72	72	69	69
8	5½	.	...	Inter. Power	15	5½	5½	5½	5½
45	31	3.50	...	Int. Util. (A)	1225	32	32½	32	32½
11	5¾	.	...	Do. (B)	1315	8⅜	8¼	7½	7½
40	40	1	2.5	Jam. Pub. Ser.	....	40	..	..	..
109	103	7	6.8	Do. pref.	....	103	..	..	..
5	2½	.	...	Kelvinator	....	4⅛	..	..	..
80	73½	7	8.7	Do. pref.	....	80	..	..	..
x40	40	.	...	King Ed. Hotel	....	..	..	..	..
24	8⅞	.	...	Lake of Woods	35	9	9¼	8⅞	8⅞
101	82	7	8.5	Do. pref.	25	85	82	82	82
x190	180	8	...	Landed Bank.	....	..	..	..	..
46	33	3	8.3	Laura Secord	5	37½	36	36	36
16	9	1	8.3	Lindsay, C. W.	....	12	..	..	..
72½	65	6.50	9.7	Do. pref.	....	67	..	..	..
14½	11	80c	6.9	Loblaw (A)	491	12	12	11⅞	11⅞
14⅜	10	80c	6.8	Do. (B)	15	12	11⅞	11⅞	11⅞
x2¾	2¾	.	...	Loew's, London	....	..	..	..	..
25	10	.	...	MacKin. Steel	....	20	..	..	..
95	92	7	7.6	Do. pref.	....	92	..	..	..
x36	20	.	...	Manitoba Pr.	....	..	..	..	..
8	6	.	...	Maple Leaf	....	6	..	..	..
40	18	.	...	Do. pref.	70	20	18	18	18
32	30	.	...	Marcus Loew's	....	30	..	..	..
71	70	7	10	Do. pref.	....	70	..	..	..
10½	3⅜	.	...	Massey-Harris	206	4⅞	4⅞	4⅞	4⅞
22½	9⅝	60c	4.8	McColl Fron.	1050	12⅛	12⅝	11⅞	12⅝
80	69¾	6	7.8	Do. pref.	30	80	76½	75	76½
45	35	.	...	Mexican L. & P.	....	35	..	..	..
x25	25	.	...	Mercury Mills	....	..	..	..	..
x89	58½	.	...	Do. pref.	....	..	..	..	..
40½	40	1	2.5	Mitchell, J. S.	10	40	40	40	40
105	105	7	6.7	Do. pref.	....	105	..	..	..
20	13	1	7.7	Mitchell, Robt.	20	13	13	13	13
1	1	.	...	Monarch Knit.	....	1	..	..	..
38	38	.	...	Do. pref.	....	38	..	..	..
95½	83½	6	6.4	Montreal Cot.	50	93½	93	93	93
100	98	7	7	Do. pref.	....	100	..	..	..
3½	3	.	...	Montreal Exhib	....	3	..	..	..
20	15⅞	.	...	Mont. Is. Pr.	....	16	..	..	..
68½	38½	1.50	3.4	Mont. L. & Pr.	10988	44¾	44½	41½	44
49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
52	48	3.20	6.4	Montreal Tele.	68	48	50	50	50
177	150	10	6.4	Mont. Trams.	5	155	155	155	155
17¾	11½	1	8	Moore Corp. c.	5	12½	12½	12½	12½
108½	98	7	7.1	Do. (A)	....	98¼	..	..	..
126	103½	7	6.4	Do. (B)	....	110	..	..	..
x10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
x49	49	1	...	Do. pref.	....	..	..	..	..
8¼	2	30c	15	Muirheads	....	2	..	..	..
10	6	75c	7.5	Do. pref.	....	9½	..	..	..
35¾	24	1.60	5.7	Nat. Breweries	2185	27	27⅞	26	27⅞
34¾	27	1.75	5.5	Do. pref.	25	32	32	32	32
x10	3	.	...	Nat. Brick	....	..	..	..	..
19	5	.	...	Do. pref.	....	5	..	..	..
.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
42	18½	2	10	Nat. Steel Car.	43	20	20	20	20
360	265	14	5.3	National Trust	5	279	265	265	265
13	11	1.50	13.6	Niag. W. Weav	....	11	..	..	..
36	35	3	8.6	Do. pref.	....	35	..	..	..
x90	89¾	.	...	Nor. Mex. Pr.	....	..	..	..	..
70	70	7	10	Do. pref.	....	70	..	..	..
6.00	2.00	.	...	North Star Oil	100	3.50	2.50	2.50	2.50
4.95	4.50	35c	7.4	Do. pref.	....	4.70	..	..	..
x25	22¼	.	...	N.S. Steel, pf.	....	..	..	..	..
285	125	8	4.1	Ogilvie Flour	7	196	200	200	200
130	118¼	7	5.9	Do. pref.	....	118¼	..	..	..
21	15	6	3.9	Ont. Eq. 10% p	51	16	16	15½	15½
118	113	6	5.1	Ontario Loan	....	117	..	..	..
7	5	.	...	Ont. Silknit	....	7	..	..	..
16	13	80c	6.1	Ont. Steel	....	13	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
1¼	1	.	...	Orange Crush	....	1	..	..	..
60	50	7	12.7	Do. (A)	....	55	..	..	..
5½	4	.	...	Do. (B)	....	4	..	..	..
110	90	6	5.4	Ot. L. H. & Pr.	95	100	110	110	110
105	102	6.50	6.3	Do. pref.	20	103	105	103½	103½
25	25	.	...	Ott. Traction	....	25	..	..	..
92⅞	68	5	6.3	Page Hersey	225	80	81	78	79¾
49	25	2.50	10	Paramount	....	25	..	..	..
35	34	.	...	Paton Mfg.	....	35	..	..	..
94	82	7	7.4	Do. pref.	....	94	..	..	..
¼	¼	.	...	Pelissiers	....	¼	..	..	..
25	25	.	...	Do. pref.	....	25	..	..	..
73	36	4	10	Penmans	2	40	40	40	40
101	93	6	6.4	Do. pref.	5	96	93	93	93
.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
29	18	2	8.5	Photo Eng.	55	25	24½	23½	23½
40	10	.	...	Port Alfred pf.	....	10	..	..	..
70	64	7	10	Porto Rico pf.	....	70	..	..	..
b39½	18	.	...	Postal Teleg.	....	..	..	..	..
63½	39½	2	4.5	Power Corp.	1486	46½	46½	44	44
102	96	6	6.2	Do. pref.	....	96½	..	..	..
4½	3	.	...	Prairie C. Oil	....	3	..	..	..
16	8½	50c	5	Pressed Metals	....	10	..	..	..
42¾	29½	2	6.2	Price Bros.	15	30	32	32	32
99	83¾	6.50	7.7	Do. pref.	45	84	85	84	85
49	31¼	2.50	7.8	Quebec Power	281	35	34	32	32½
110	105	7	6.7	Real Estate Ln.	....	105	..	..	..
3	1	.	...	Regent Knit.	30	1	1⅛	1⅛	1⅛
10	5½	.	...	Reliance Grain	....	7	..	..	..
16	9	2	16.8	River S. Mills	....	12½	..	..	..
19½	11	1.50	9.9	Robinson Cone	....	15½	..	..	..
16½	10	1.20	11.7	Rogers Majes.	30	10¼	10¼	10¼	10¼
291	235	12+2	5.7	Royal Bank	370	247½	247½	245	245
84	83	7	8.3	Ruddy, E. L., p	....	84	..	..	..
77¾	67¾	4	5.9	Russell Motor	5	68½	67½	67½	67½
95	84	7	8.3	Do. pref.	....	84	..	..	..
7	7	.	...	Sarnia Br. (A)	....	7	..	..	..
x12	5	.	...	Do. (B)	....	..	..	..	..
36¾	9½	1.60	[illegible]	Serv. Stn. Eq.	395	12½	12¼	11	11
90¼	54	6	8.5	Do. pref.	75	71½	71½	70½	70½
59½	34¾	2.50	6	Shawinigan	1884	40	42½	39½	42½
30	21	1.60	6.4	Sher.-Wms.	....	25	..	..	..
121	117	7	5.8	Do. pref.	....	119½	..	..	..
22	14	2.50	13.8	Simon & Son	....	18	..	..	..
92	88½	7	7.8	Do. pref.	....	90	..	..	..
92½	73	6.50	8	Simpsons Ltd.	40	80	82	80	80
44½	40	2	5	Do. (A)	60	40	40	40	40
35½	24½	.	...	Do. (B)	....	29	..	..	..
108	103	6	5.6	Simpson, Robt.	15	107	107	106½	106½
4	1	.	...	St. Law. Corp.	25	1½	1½	1½	1½
12	2½	.	...	Do. (A)	....	3½	..	..	..
20	16	.	...	St. Law. Flour	....	16	..	..	..
85	82	7	8.2	Do. pref.	....	85	..	..	..
30⅛	10	.	...	St. Law. Pap. p	2	11⅛	11	11	11
30	4	.	...	St. Maur. V. p	....	4	..	..	..
32	22¾	1	3.3	So. Can. Pr.	2	30	30	30	30
106½	104½	6	5.7	Do. pref.	95	105	106	105½	105½
16⅛	7	2	26.6	St. Pav. & Mat.	745	8	8	7	7
80	66½	7	10	Do. pref.	....	70	..	..	..
1	1	.	...	Stanfords	....	1	..	..	..
15	7	1	14.2	Stand. Chem.	....	7	..	..	..
9⅞	3¾	.	...	Stand. Steel	4	5½	5	5	5
35	32	3	9.4	Do. pref.	....	32	..	..	..
42½	24¾	1.75	5.1	Steel of Can.	1105	29	29	27½	29
37	29	1.75	4.6	Do. pref.	30	32	32¼	32½	32½
4½	2¼	.	...	Sterling Coal	....	2¼	..	..	..
32½	12¾	1	5.8	Super. Pet. Ord	85	17	17	15	17
105	94	7	7.2	Do. pref.	....	95	..	..	..
31	14	1	5.9	Do. com.	....	17	..	..	..
49	41	.	...	Tamblyn	....	47	..	..	..
105¼	101	7	6.6	Do. pref.	10	104	105½	105½	105½
30	20	3.50	14.6	Thayers, pref.	....	24	..	..	..
16	6½	.	...	Tip Top Tailors	45	7½	7½	7½	7½
90	77	7	8.7	Do. pref.	....	80	..	..	..
22	10	.	...	Tooke Bros.	....	10	..	..	..
67	50	7	14	Do. pref.	....	50	..	..	..
15	9½	.	...	Tor. Elevators	....	11	..	..	..
235	210	12	5.6	Tor. Gen. Tr.	....	215	..	..	..
115	108	6	5.4	Toronto Mtge.	....	110	..	..	..
3	1½	.	...	Traymore	....	1½	..	..	..
12½	10¼	1.40	13.3	Do. pref.	....	10½	..	..	..
128	120	7	5.5	Tuckett Tob. p	....	127¼	..	..	..
17¼	7	.	...	Twin City	26	8	8	7	8
b62	35½	7	...	Do. pref.	....	..	..	..	..
16	9⅜	1	9.1	Union N. Gas	80	10½	10⅞	10⅞	10⅞
101½	98	7+1	8	Union Trust	....	100	..	..	..
8	3	.	...	United Fuel	....	3	..	..	..
65	30	4	13.3	Do. pref.	5	40	30	30	30
55	49⅝	2	4	United Secs.	....	50	..	..	..
24¼	8¼	.	...	Viau Biscuit	100	16	14	13½	13½
85	75	7	8.6	Do. pref.	....	81¾	..	..	..
30	20	.	...	Wabasso Cot.	5	20	20	20	20
8⅞	4½	50c	9.5	Walker-Good.	5280	5¼	5¼	5	5¼
7¾	2	.	...	Waterloo Mfg.	100	3½	3½	3½	3½
45	30	1	2.7	Weston Bisc.	105	40	37	37	37
90	80	7	8.7	Do. pref.	....	80	..	..	..
17½	7	.	...	West. Can. Fl.	....	8	..	..	..
96	80	6.50	7.6	Do. pref.	10	85	85	85	85
17	10	.	...	West. Grocers	....	10	..	..	..
55	45	7	15.5	Do. pref.	....	45	..	..	..
91	85	6.50	7.1	W. Steel Pr. p.	....	91	..	..	..
x9	9	.	...	Whittall Can	....	..	..	..	..
13	10	.	...	Windsor Hotel	....	12	..	..	..
73	71	6.50	9.1	Do. pref.	....	71	..	..	..
21½	10	.	...	Winnipeg Elec.	10	13	12¼	12¼	12¼
81½	53	7	12.9	Do. pref.	30	53½	54	54	54
‡30	30	.	...	Woods Mfg.	....	..	..	..	..
40	36	.	...	Do. pref.	....	36	..	..	..
80	80	7	8.7	Wood, A. J., p	....	80	..	..	..
7	7	.	...	Do. pref.	....	7	..	..	..
x2½	1½	.	...	Zimmerknit	....	..	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of .005% monthly.
† Plus stock bonus.

Active Current Bond Prices

	Bid	Asked	Yield
Dominion of Canada 5½/33	104.	104.75	3.37
Dominion of Canada 5½/34	104.	104.75	3.95
Dominion of Canada 5/43	106.25	106.75	4.25
Dominion of Canada 4½/46	101.75	102.25	4.28
Dominion of Canada 4½/56	101.75	102.25	4.35
Dominion of Canada 4½/58	104.25	104.75	4.20
C. N. R. (Dom. of Can. Guar.) 5/54	105.50	106.50	4.55
C. N. R. (Dom. of Can. Guar.) 4¾/55	102.25	103.	4.55
C. N. R. (Dom. of Can. Guar.) 4½/56	100.75	101.50	4.40
C. N. R. (Dom. of Can. Guar.) 5/69	106.	107.	4.45
Province of Ontario 4½/44	99.25	100.25	4.45
Province of Ontario 5 /48	105.25	106.75	4.40
Province of Ontario 4¾/70 (Hydro)	103.	104.	4.50
Province of Quebec 4½/56	100.	101.	4.42
Abitibi Power & Paper 5/53	55.	59.	9.75
Argentine Gov't. 6/58 Ser. B	84.	84.50	7.30
Beauharnois Power 6/59	65.	75.	8.25
Bell Telephone Co. of Canada 1st, 5/57	106.50	107.50	4.55
Brazil, U. S. Ext. S. F. 6½/57	52.25	54.	10.50
British Columbia Power 5/60	95.75	97.	5.20
British Columbia Power 5½/60	101.75	103.	5.30
British Columbia Telephone 5/60	99.	101.	4.45
Calgary Power 5/60	95.	97.	5.20
Canada Brewing 5/42	102.	105.	4.40
Canada Cement 1st Mtge. S. F. 5½/47	98.	101.	5.40
Canada Gypsum Lime & Alabastine 5½/48	83.	90.	6.50
Canada Northern Power 5/53	90.50	93.	5.55
Canada Steamship Lines 1st & Gen. 6/41	45.	55.	12.00
C. P. R. Collateral Trust 5/54	103.	104.	4.60
C. P. R. Secured 4½/44 Notes	97.50	100.	4.50
Chile Republic Ext. S. F. 6/60	38.	43.	...
Colombia Republic Ext. S. F. 6/61	64.25	66.	9.50
Davies, Wm. 6/42	93.	97.	6.25
Dominion Canners 6/40	102.50	105.50	5.25
Dominion Square Corporation 6/48	78.	82.	7.90
Dominion Tar & Chemical 6/49	95.	99.	6.10
Dominion Textile 6/49	105.50	107.	5.35
Duke Price Power 1st, 6/66	103.	105.	5.70
Eastern Dairies, Convertible 6/49	98.	101.	5.90
Eaton, T. Realty, 5/49	94.50	97.	5.25
Famous Players 6/48	92.	98.	6.20
Federal Grain 6/49	70.	80.	8.10
Foreign Power Securities Corp. 6/49	83.	90.	6.68
Fraser Companies 6/50	25.	35.	15.00
Gatineau Power, 1st Mtge. 5/56	90.25	92.	5.60
Gatineau Power, S. F. Debs., 6/41	85.	90.	7.40
General Steel Wares 6/52	59.	65.	10.00
Howard Smith Paper Mills 5½/53	60.	65.	8.50
Harris Abattoir 6/47	98.	101.	5.90
Manitoba Power, 1st, S. F. 5½/51	85.	92.	6.20
Maple Leaf Milling 5½/49	88.	93.	6.10
Massey-Harris, 1st Mtge. 5/47	60.	65.	7.50
MacLaren Quebec Power 5½/61	93.	94.	5.78
Montreal Coke, 1st S. F. 5½/47	102.	103.	5.20
Montreal Island Power 5½/57	99.50	101.	5.40
Montreal Light, Heat & Power 5/51	104.50	106.	4.35
Montreal Tramways 1st. Coll. Trust 5/41	101.	102.25	4.75
Montreal Tramways Gen. Ref. 4½/55	85.	90.	5.20
Montreal Tramways 5/55	98.75	96.	5.30
Moodie, J. R. 6/48	97.	100.	6.00
Ogilvie Flour Mills 6/32	100.50	102.	4.60
Ontario Power Service 5½/50	81.	85.	6.90
Ottawa Valley Power 5½/70	99.50	101.	5.45
Power Corporation of Canada 4½/59	83.	88.	5.30
Price Bros. 1st S. F. Ser. "A" 6/43	92.	98.	6.25
Quebec Power 1st, Mtge. Coll. S. F. 5/68	101.	103.	4.80
Shawinigan Water & Power 4½/70	97.	98.50	4.60
Shawinigan Water & Power 5/70	104.	105.50	4.72
Simpsons 6/49	96.	100.	6.00
Southern Canada Power 1st, 5/55	103.	104.	4.65
United Securities Coll. Trust 6½/52	98.50	101.	5.50
West Kootenay Power 5/56	100.	101.50	4.85
Windsor Hotel 6¼/43	102.50	104.50	5.90
Windsor Hotel 6/47	94.	100.	6.00
Winnipeg Electric 5/35	99.	101.	4.75
Winnipeg Electric 6/54	89.	94.	6.50

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Amer. Commonwealths Pr. 1st pref. Ser. "A"	$7	$1.75	Aug. 1	July 15
Do., 1st pref.	$6.50	$1.62	Aug. 1	July 15
Do., 1st pref.	$6	$1.50	Aug. 1	July 15
Do., 2nd pref. "A"	$7	$1.75	Aug. 1	July 15
Bank of Montreal	12+2%	3%	Sept. 1	July 31
Borden Co.	$3	75c	Sept. 1	Aug. 15
Blue Ribbon	$2	50c+17c†	Aug. 1	July 15
Do. pref.	6½%	81¼c	Aug. 1	July 15
Bank of Toronto	12+1%	3%	Sept. 1	Aug. 15
Brazilian Traction, ord.	..	25c	Sept. 1	July 31
B. C. Pulp & Paper, pfd.	$7	$1.75	Aug. 1	July 15
Beatty Bros. Class "A"	...	50c	Aug. 1	July 15
Beatty Bros. pref.	6%	1½%	Aug. 1	July 15
Belding-Corticelli, com.	7%	1¾%	Aug. 1	July 15
Brandram-Henderson com.	2%	½%	Aug. 1	July 2
Canadian Bank of Commerce	12+1%	3%	Sept. 1	July 31
Canadian Investors	$1	25c	Aug. 1	July 15
Calgary Power, pref.	6%	1½%	Aug. 1	July 15
Can. Dredge	$3	75c	Aug. 1	July 16
Do., pref.	7%	1¾%	Aug. 1	July 16
Can. Bronze	$2.50	62½c	Aug. 1	July 20
Do., pref.	7%	1¾%	Aug. 1	July 20
Canadian Industries	$2.50	62½+*50c	July 31	June 30
Can. Wire & Cable "A"	...	$1	Sept. 15	Aug. 31
Do.	...	$1	Dec. 15	Nov. 30
Canadian Car, ord.	$1.75	43c	Aug. 31	Aug. 15
Can. Northern Power, com.	80c	20c	July 25	June 30
Can. Converters	4%	1%	Aug. 15	July 31
Cons. Industries	80c	20c	Aug. 1	July 15
Can. Pr. & Pap. Invest. pfd.	5%	1¼%	Aug. 15	July 20
Cons. Sand & Gravel pref.	7%	1¾%	Aug. 15	July 31
Disher Steel "A" pref.	$1.50	37½c	Aug. 1	July 15
Dominion Tar, pref.	6½%	1⅝%	Aug. 1	July 6
Dominion Bridge	$3	75c	Aug. 15	July 31
Eastern Dairies	$1	25c	Aug. 1	June 30
Eastern Theatres, com.	$2	50c	Sept. 1	July 31
Do., pref.	7%	3½%	July 31	June 30
Ford Hotel, com.	...	50c	Aug. 1	....
Do.	...	50c	Oct. 31	
For. Pr. Secs. pref.	6%	1½%	Aug. 15	July 31
Foundation Co.	$1	25c	Aug. 15	July 31
Frost Steel 1st pref.	7%	1¾%	Aug. 1	July 18
Do., Class "A" pfd.	7%	1¾%	Aug. 1	July 18
Granby Cons. Mining	...	25c	Aug. 1	....
Guelph Carpet & Worsted com.	$1	25c	Aug. 1	July 20
Do., cum. conv. pfd.	6½%	1⅝%	Aug. 1	July 20
Hamilton Bridge, pref.	6½%	1⅝%	Aug. 1	July 15
Humberstone Shoe	$2	50c	Aug. 1	July 15
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 2
Imperial Bank	12+1%	3%	Aug. 1	June 30
C. W. Lindsay, com.	$1	25c	Sept. 1	Aug. 15
Do., pfd.	6½%	1⅝%	Sept. 1	Aug. 15
McIntyre Mines	20%	5%	Sept. 1	Aug. 1
MacKinnon Steel pref.	7%	1¾%	Aug. 1	July 15
Montreal L. H. & Pr.	$1.50	38c	July 31	June 30
Northern Ont. Power pfd.	6%	1½%	July 25	June 30
Do., com.	$2	50c	July 25	June 30
Ontario Equitable	6%	3%	Aug. 1	July 15
Power Corp. com.	$2	50c	Aug. 20	July 31
Penmans	$4	$1	Aug. 15	Aug. 5
Do., pref.	6%	1½%	Aug. 1	July 21
Royal Bank of Can.	12+2%	3%	Sept. 1	July 31
Russell Motor	4%	¾%	Aug. 1	July 15
Do., pref.	7%	1¾%	Aug. 1	July 15
Service Stations pref.	6%	1½%	Aug. 1	July 15
Do., Series "A" pref.	6%	1½%	Aug. 1	July 15
Southern Can. Pr. com.	$1	25c	Aug. 15	July 31
Steel of Canada	$1.75	43¾c	Aug. 1	July 7
Do., pref.	$1.75	43¾c	Aug. 1	July 7
Simpson's Ltd., pref.	6½%	1⅝%	Aug. 1	July 20
Do., Class "A"	$2	50c	Aug. 1	July 20
St. Lawrence Flour pfd.	7%	1¾%	Aug. 1	July 20
Standard Pav. & Mat. cum. pfd.	7%	1¾%	Aug. 1	July 31
Teck Hughes	60c	15c	Aug. 15	July 17
Weston, Geo., pref.	7%	1¾%	Aug. 1	July 20
Western Steel Prod., 1st pref.	6½%	1⅝%	Aug. 1	July 15
Wood, Alex. & James 1st pfd.	7%	1¾%	Aug. 1	July 21

*Bonus. †Adjusting.

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited,
Canada Permanent Bldg., Toronto, Ont.

Provinces	Rate	Actual Mat.	Next Int. Date	Price	Yield
Alberta	4½	1 Oct., 1958	1 Oct.	94.05	4.90
Alberta	5	1 July, 1943	1 Jan.	100.45	4.95
Alberta	6	1 Apr., 1936	1 Oct.	110.23	5.00
British Columbia	4½	1 Oct., 1953	1 Oct.	98.63	4.60
British Columbia	5	15 Jan., 1948	15 Jan.	103.42	4.70
British Columbia	6	15 Aug., 1941	15 Aug.	109.44	4.80
Manitoba	4	1 July, 1947	1 Jan.	95.87	4.80
Manitoba	5	2 June, 1953	2 Dec.	102.28	4.85
Manitoba	5	15 June, 1943	15 Dec.	101.35	4.85
New Brunswick	4½	1 June, 1948	1 Dec.	100.59	4.45
New Brunswick	4¾	15 June, 1936	15 Dec.	101.11	4.50
New Brunswick	6	1 Jan., 1936	1 Jan.	105.84	4.55
Nova Scotia	4½	15 Nov., 1948	15 Nov.	100.60	4.45
Nova Scotia	5	1 May, 1943	1 Nov.	104.60	4.50
Nova Scotia	6	1 Nov., 1936	1 Nov.	107.24	4.50
Ontario	4½	1 Sept., 1944	1 Sept.	100.98	4.40
Ontario	5	15 Oct., 1948	15 Oct.	106.50	4.45
Ontario	6	2 May, 1936	2 Nov.	107.00	4.42
P. E. I.	4	1 Apr., 1939	1 Oct.	96.67	4.50
P. E. I.	4½	1 Oct., 1944	1 Oct.	100.00	4.50
Quebec	4¼	1 May, 1961	1 Nov.	99.16	4.30
Quebec	5	1 June 1948	1 Dec.	104.08	4.65
Saskatchewan	4½	1 Oct., 1944	1 Oct.	95.72	4.95
Saskatchewan	5	1 Oct., 1950	1 Oct.	100.61	4.95
Saskatchewan	6	1 Feb., 1936	1 Aug.	103.99	5.00
Cities					
Montreal	5	1 Sept., 1963	1 Sept.	107.55	4.55
Toronto	4½	1 Sept., 1954	1 Sept.	100.72	4.45
Vancouver	4	1 Aug., 1946	1 Aug.	93.04	4.65
Winnipeg	5	1 Mar., 1944	1 Sept.	101.86	4.80
Edmonton	5½	1 May, 1945	1 Oct.	103.97	5.10
Calgary	5	1 Jan., 1943	1 Jan.	99.57	5.05
Halifax	6	1 July, 1951	1 Jan.	114.62	4.85
St. John	5	15 Dec., 1960	15 Dec.	103.80	4.70
Regina	4½	1 July, 1950	1 Jan.	94.32	5.00
Victoria	5	21 July, 1945	21 July	101.51	4.85

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited

July 21, 1931

Industrial Stocks	Bid	Ask.
Acadia Sugar c.	.30	.48
Acadia Sugar pfd.	1.75	2.25
Allens Coll. pfd.	32.00	....
Allens London pf.	32.00	....
Andian Nat. Corp.	22.50	25.00
Brand.-Hend. c.	10.00	20.00
Brand.-Hend. pfd.	78.00	89.00
Brew. Corp. of Can. c.	....	.70
Brew. Corp. of Can. pfd.	6.00	8.00
B.C. Pulp & Paper com.	2.00	....
B.C. Pulp & Paper 7% pfd.	....	51.00
Canada Biscuit pf.	....	9.00
Canada Crushed Stone, c.	....	13.00
Canada Crushed Stone pfd.	....	75.00
Can. Dom. Sugar com.	14.00	16.50
Can. Machinery c.	5.25	8.00
Can. Mach. 7% pf.	22.00	32.00
Can. Pack. c.	16.00	19.50
Can. Pack. 7% pf.	92.00	....
Can. Starch pfd.	70.00	....
Can. Wire & Cable pfd. w.w.	95.00	100.00
Can. Indust. c. "A"	113.00	135.00
Can. Indust. c. "B"	....	130.00
Can. Indust. 7% pfd.	122.00	130.00
Can. Investors c.	7.50	11.50
Can. Westingh'se	54.50	62.00
Chase, A. W. 8% pfd.	38.00	45.00
Copeland Flour 6% pfd.	....	15.00
Dom. Foundries & Steel pfd.	48.00	57.00
Dom. Foundries & Steel c.	5.00	8.00
Dom. Mfrs. pfd.	71.50	
Dunlop Tire 7% pfd.	93.00	97.50
Eastern Car 6% pfd.	47.50	60.00
Edmonton Stk. Yds. pfd. bonus	....	75.00
A. J. Freiman pf.	65.00	....
Goderich Elev. & Transit	13.75	15.00
Greening Wire 7% pfd.	92.00	97.00
Guard. Realty pf.	51.00	....
Hard'g Carp. pfd.	....	68.00
Inter-City Bak. c.	45.00	53.50
Internat. Proprietaries "A"	28.00	32.00
Loew's London c.	....	1.65
Loew's London 7% pfd.	1.75	3.00
Maritime Tel. & Tel. c.	14.00	16.00
Maritime Tel. & Tel. pfd.	13.00	14.50
Morrow Screw Nut 7% pfd.	94.00	....
Mt. Royal Hotel Scrip	1.50	2.50
Mt. Royal Hotel com.	2.25	5.00
Mt. Royal Hotel 6% pfd.	22.00	28.00
Nat. Grocers c.	.95	1.50
Nat. Grocers 2nd 7% pfd.	43.00	....
Para. Oshawa c.	10.50	....
Para. Oshawa pf.	32.00	....
Prov. Paper pfd.	....	80.00
Stand. Clay Prod. com.	26.00	....
Stand. Fuel pfd. bonus	73.00	81.00
Supertest Petroleum "B" pfd.	17.00	....
Toronto Brick pf.	68.50	....
Toronto Carpet c.	113.50	....
Toronto Carpet 8% pfd.	98.00	104.00
Toronto Elev. 7% pfd.	....	90.00
Toronto Hous. c.	25.00	35.00
Un. Amuse. "A"	19.00	26.00
Willards Choc. 8% pfd.	....	50.00
Willards Choc. c.	....	4.50

Insurance Stocks:	Bid	Ask.
Br. Amer. Assce.	43.00	
Canada Life Ass.	650.00	
Can. Fire Ins.	78.50	
Capital Life 20% pd.	....	
Commercial Life 10% pd.	....	
Confederation Life 20% pd.	260.00	
Continental Life 20% pd.	....	70.00
Crown Life	....	
Dominion Fire	110.00	
Dom. of Can. General Ins.	217.50	
Dom. Life 50% pd.	295.00	
Excelsior Life 30% pd.	103.00	
Fed. Fire 25% pd.	31.00	
Fidelity Ins. of Canada	....	
Great West Life	475.00	
Guarantee Co. of N. A.	250.00	
Halifax Fire	14.50	
Imperial Life	400.00	
Mfrs. Life	335.00	
Monarch Life 10% pd.	29.00	
Nat. Life 25% pd.	120.00	
Saskatchewan Life 10% pd.	11.00	
Sovereign Life 25% pd.	28.50	
Sun Life Assur.	1,150	
Western Assur. c.	43.00	
Western Life 20% pd.	10.00	
Trust, Loan & Bank Stocks:		
Br. Mtg. & Trust	171.00	
Can. Gen. Invest. Trust 1st	27.00	
2nd Can. Gen. Investments	6.50	
Chartered Trust	103.00	
Commer. Fin. pfd.	46.00	
Commer. Fin. c.	4.00	
Deb. & Sec. c.	....	
Deb. & Sec. pfd.	61.00	
Guelph & Ont. Inv. par $50	60.00	
Lambton Loan & Savings	76.50	
London & Western Trust	....	
Midland Loan & Savings	17.00	
Mtge. Disc. pfd.	3.75	
Mutual Fin. pfd.	....	
Provincial Bank	120.00	
Sec. Loan & Sav.	112.00	
Sherbrooke Trust	113.50	
Sterling Trust	86.00	
Traders Fin. c.	....	
Traders Fin. pfd.	....	
Trusts & Guar.	78.00	
Waterloo Trust & Savings	130.00	
Power Issues:		
B.C. Elec. Pwr. & Gas pfd.	103.50	
Calgary Pwr. pfd.	92.00	
Can. Light & Power c.	20.00	
Can. Northern Pwr. pfd.	105.00	
Can. West. Nat. Gas LH&P c.	52.00	
Can. West. Nat. Gas LH&P pfd.	84.00	
Great Lakes Pwr.	91.00	
N.B. Pwr. 1st pf.	61.50	
N.B. Tel. c.	13.50	
N.S. L&P pfd.	93.50	
Ottawa LH&P 6½% pfd.	103.00	105.00
Power Corp. 6% pfd.	96.00	
Recent London Quotations:		
Brewer Distillers		4s.
Can. & For. Sec.		7s. 6d.
Can. West. Lumber		1s. 6d.
Hudson's Bay		22s. 6d.
Do., 5% pfd.		67s. 6d.
Internat. Holdings		65s.
Nfld. Pr. & Pap. deb. stk.		99
Trust & Loan of Can. (15s. pd.)		9s. 3d.

Listed Bond Quotations

Week Ending July 20

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range 1931 High	Range 1931 Low
Abitibi, 1st mtge.	5	1953	...	...	...	...	78	49
Asbestos	5	1942	5.00	105	...	...	100	...
Asbestos, 1st mtge.	6	1941	...	16	...	...	20	15
Do., gen. mtge.	6	1956	...	14	...	...	x41	25
Can. Cons. Rub.	6	1946	...	...	...	...	x102½	102½
Can. Cottons	5	1940	6.88	90	...	...	91	88
Can. Forgings	6	1942	6.00	†100	...	...	100	...
Can. Locomotive	6	1951	...	†62	...	...	x98	...
Can. Pr. (La. Ser.)	5½	1958	...	...	7	7	28½	5
Do. (Way Ser.)	5½	1958	...	...	7	7	28½	5
Can. S. S. deb.	5	1943	...	...	...	...	x98¾	94
Cedars Rapids	5	1953	4.66	†105	...	...	105	101
Dom. Canners	6	1940	...	†103½	...	...	x103	...
Dom. Coal	5	1940	5.23	99½	...	...	98½	98½
McNish	6	1948	...	†2.25	...	...	3.25	2.00
Mex. L. & Pr.	5	1940	10.05	†70½	...	...	73½	70½
Mont. L. H. & Pr.	4½	1932	...	†100⅜	...	...	x100	98½
Mont. Tr. 1st mtge.	5	1941	4.96	...	100¼	100¼	101½	99½
Mont. Tr. "A"	5	1955	5.45	...	93⅛	93⅛	95½	91
Mont. Tr. G. & R. "B"	5	1955	5.51	...	...	...	95½	91½
Do. "C"	5	1955	5.64	...	...	...	85	84
Do. "D"	4½	1955	5.39	...	...	...	96½	91½
Northern Elec.	5	1939	4.76	†101½	...	...	101½	...
N. S. Steel	5	1959	9.28	...	...	...	62½	58
Ogilvie Flour "A"	6	1932	5.35	†100½	...	...	100½	100
Do. "B"	6	1932	...	†100½	...	...	x108	101
Do. "C"	6	1932	5.73	102.00	100¼	100¼	103	100
Ont. Steel	6	1948	...	106½	...	...	...	...
Porto R. Pr.	5	1936	6.79	...	...	...	93	92
Steel of Can.	6	1940	5.08	†106½	...	...	107½	106½
Wayagamack	6	1951	...	...	...	...	75	45
West. K. Pr.	6	1940	5.15	44	...	...	106	...
Winn. Elec.	5	1935	5.12	†99½	...	...	99½	98½
Toronto								
Canada Bread	6	1941	5.86	102	...	...	101	...
Steel of Can.	6	1940	5.12	...	...	...	106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1931	....	100.40	....	....	101.70	100.20
Do.	5	1937	3.58	107.25	....	....	108.15	104.00
Victory Loan	5½	1933	3.70	104.50	104.40	104.10	105.25	103.00
Do.	5½	1934	4.17	104.50	104.55	104.10	105.30	102.95
Do.	5½	1937	3.62	111.00	111.25	110.40	112.40	107.05
Do., refund	4½	1940	4.25	101.95	101.90	....	102.30	99.55
Do., refund	5	1943	4.33	106.40	106.25	106.10	106.70	103.50
Do., refund	4½	1944	4.30	101.95	102.00	101.70	102.30	100.00
Do., refund	4½	1946	4.31	101.95	101.95	....	112.12	99.70
Do., renewal	5½	1932	3.90	102.50	102.20	102.15	103.35	101.60
Conversion Loan	4½	1956	4.40	102.10	102.00	....	102.10	101.45
Do.	4½	1957	4.45	102.65	102.25	102.20	102.65	102.29
Do.	4½	1958	4.38	104.20	104.12	103.95	104.60	103.95
Do.	4½	1959	4.43	104.30	104.40	104.10	104.75	104.10

xQuotations for 1930. None recorded in 1931 to date.
†Latest bid.

Winnipeg Grain Prices

Week to July 21

Crop Year from Aug. 14 High	Low		Open July 15	High for week	Low for week	Close July 21
		Wheat				
.77¼	.54	July	.55½	.58⅝	.54⅞	.58¼
.70¾	.56⅛	Oct.	.57⅝	.60⅞	.57⅛	.60⅝
.67½	.57¼	Dec.	.58¾	.62	.58¼	.61⅞
		Oats				
.33½	.26¾	July	.27¼	.30	.27½	.29¾
.34⅛	.27⅝	Oct.	.29¼	.31¾	.29⅛	.31⅜
.33½	.29	Dec.	.29⅞	.31½	.29⅝	.31⅛
		Barley				
.35	.23¼	July	.31¼	.32¾	.30¾	.32⅜
.36¾	.25½	Oct.	.32¾	.34½	.32½	.34⅜
.37⅞	.33	Dec.	.32⅞	.35¾	.33⅛	.35½
		Flax				
1.23½	.95½	July	1.15¼	1.23½	1.15¼	1.21⅝
1.25¾	.95½	Oct.	1.17	1.25⅞	1.16½	1.23⅞
1.27	1.06¼	Dec.	1.18	1.26½	1.18	1.24⅜
		Rye				
.41¼	.25⅛	July	.30	.33⅞	.29⅞	.33⅝
.40⅝	.31⅛	Oct.	.33⅛	.35⅞	.32½	.35⅝
.42	.33	Dec.	.35	.37⅝	.34½	.37⅝

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week of July 21

High	Low to date*	Wheat	Close July 14	High for week	Low for week	Close July 21
.68⅞	.58⅜	July	.58⅞	.61½	.60¾	.61¼
.70¼	.60⅝	Oct.	.61¼	.64⅛	.60⅝	.63⅝
.70½	.62¾	Dec.	.63⅝	.66⅛	.62⅝	.65½

*Since trading opened March 3, 1931.

A.J.Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto Elgin: 5101 (TEN LINES)

Winnipeg Stock Exchange

July 13

	Bid	Ask
Beaver Fire	125	...
Beaver Lumber, c.	...	19
Do., pref.	...	91
Can. Amer. Tr. shs.	...	5.53
Can. Fire Ins.	...	85
Can. Indemnity	125	...
Crescent Creamery	89	...
Gt. West Life	...	490

	Bid	Ask
Home Investment	50	...
Monarch Life	...	32
Nor. Can. Mtge. pf.	15	...
Nor. Can. Mtge. c.	½	...
Traders Bldg.	...	87
Un. Gr. Growers	11	11½
West Breweries	...	2½

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Also DUNLOP World Famous Tennis and Badminton Supplies.
198
Included in a long list of Dunlop Golf Ball successes for 1931 are the following:
English Ladies' Open Golf Championship.
Scottish Professional Championship (Mark Seymour).
British Open Amateur Championship.
English Closed Amateur Championship.
Dunlop-Southport 1500 guinea Tournament (Henry Cotton).

MAGAZINE TAX SHOULD BENEFIT PRINTING TRADES

New Graded Tax on Advertising Space is Aid to Canada

EQUITABLE PLAN

Total Tax is Less Than Postal Zone Charges in Parts of U.S.A. Says Bennett

Taxation of U. S. publications on the basis of number of pages of advertising carried, rather than by a straight 15 cents per pound impost, is the gist of new amendments to a much discussed act, as revealed by Prime Minister Bennett in the House of Commons last week. Some periodicals such as comic sheets and so forth will still be taxed 15 cents per pound but for the most part the new amendments will give direct aid to Canadian advertisers on a much more equitable basis than originally proposed and should materially stimulate the sale of Canadan paper, inks, engraving and so forth by curbing a hitherto untaxed source of competition, namely foreign magazine advertising.

Investors in Canadian newsprint and printing company shares should feel the beneficial effects of the new legislation, although it is at present difficult to estimate their exact extent, for instance, it is as yet uncertain whether foreign publications will be subject to 4 per cent sales tax in addition to the duty and the 1 per cent excise tax. In order that foreign publishers should not be unduly inconvenienced the date when the regulations become effective has been advanced to September 1, 1931. Some objection is taken to the tax by newsdealers who claim there will be uncertainty as to the selling price of various magazines.

Highlights of New Tax

Highlights of the amended sections, as they apply to foreign periodicals, are as follows:

1. Magazines published in other than the French or the English language; British preferential tariff, free; general tariff, free.

2. Magazines, unbound: British preferential tariff, free; intermediate tariff, free.

3. Magazines, including agricultural, technical and trade journals, unbound or paper bound, which, by reason of their advertising content, are subject in the country of origin to zone rates of postage based upon such advertising content:

(a) When the space devoted to advertisements exceeds 20 per centum, but does not exceed 30 per centum of the total space, per copy; general tariff 2 cents.

(b) When the space devoted to advertisements exceeds 30 per centum of the total space, per copy; general tariff, 5 cents.

4. Magazines in which the advertising matter does not exceed 20 per centum of the total space; general tariff, free.

5. Periodicals or portions of newspapers consisting largely of fiction and/or, feature stories or articles and/or, comic supplements, per pound; general tariff 15 cents.

Provided, that the duty under this tariff item shall be not less than, per copy; general tariff, 15 cents.

Tax Less Than Zone Rate

In introducing the above amendments Mr. Bennett made an interesting point when he brought out the fact that the tax on United States magazines in Canada is not any heavier than the tax imposed by their own zone rate of parcel post for transmission within the U. S. These rates, which are in addition to the ordinary second-class postal rate of 1½ cents per pound, range from 1½ cents for a zone up to 150 miles, 2 cents for 150 to 300 miles, 3 cents to 600 miles, and so on, through a graduated scale, up to 7 cents for the zone in excess of 1,800 miles. This zone tax was instituted upon the realization that a tax upon advertising in periodicals was desirable, and it applies wherever the amount of advertising exceeds 5 per cent.

The measure might be justified on the above argument alone, says Canadian Advertising Data, but other and even stronger grounds can be cited as follows:

1. The urgent necessity for revenue.

2. To relieve Canadian manufacturers who have suffered from the competition of foreign lines, the advertising for which has entered Canada through foreign publications.

3. To place Canadian publishers on a more equitable competitive basis with foreign publishers.

4. That the duty would enable Canadian publications to develop, and as a result use more Canadian-made raw materials such as paper, ink, engravings, electrotypes and the productions of Canadian authors and artists, and give employment to more Canadian people.

5. Because foreign advertising matter other than that in periodicals has for years been subject to a duty of 15 cents a pound or an ad valorem duty of 35 per cent.

6. For the reason that books have been dutiable at from 10 per cent to 25 per cent.

7. In view of the fact that a former administration applied a duty of 25 per cent on fiction magazines to slow down the influx of foreign publications not considered in the public interest.

8. Because the Bennett budget also carried provisions which imposed additional heavy burdens on the publishing industry in Canada. A sales tax of 4 per cent on all plant equipment, and on all raw materials except paper which is subject to 2 per cent sales tax. The postage was increased by 50 per cent on all publications with circulations of 10,000 or over.

Sees Benefits to Canada

Canadian Printer and Publisher sums up the new amendments as follows:

"The tariff amendments in question, in addition to providing an impetus to the publishing and printing industries, also look to the development of the paper making industry in this country as a natural consequence of the increased demand for newsprint, periodical paper, coated stock and, in fact, all grades of paper used in the printing business. It also follows that the allied industries, such as engraving, electrotyping, stereotyping, etc., will also profit by greatly increased business. The employment situation in all these branches of the graphic arts will be largely solved as soon as the industries affected are able to take full advantage of their enlarged scope. Canadian journalists, special writers, and authors, instead of being so greatly dependent upon publishers in foreign countries for the purchase of their works will find an improved home market. Illustrators, artists, commercial photographers, and all the skilled artisans engaged in the numerous branches of the graphic arts will by the same tokens find more home work of a congenial and remunerative character at their hands to do, than has at any time in the history of this Dominion been available."

COMMISSION URGES DOLE PLAN REVISION

Under Present Provisions Plan Costs £39,450,000 Annually

No immediate remedial action will be taken in regard to Great Britain's compulsory unemployment insurance scheme. The British Government has recently received a majority report of the Royal Commission investigating the plan, but action in respect of the proposals contained therein will be deferred pending publication of the Commission's final report, owing to the recommendation of two members who signed a minority report to this effect.

Since the introduction of the scheme into Great Britain in 1911, at which time it was confined to a few selected trades, many revisions and extensions have been incorporated in the original Act. At the present time many anomalies exist, while the gap between income and expenditure has become a widening one over the past few years.

The Royal Commission was appointed in December last to investigate the problems that now present themselves, and briefly their deliberations have been directed towards seeking remedies for the many anomalies, dealing with the large accumulated debt, and to make recommendations to put the scheme upon a better financial basis.

The present report contains proposals for the elimination of certain of the more glaring anomalies, and shows that taking an average of 2,500,000 registered unemployed as a basis and assuming that approximately 1,750,000 persons would be entitled to ordinary insurance benefit and that a further 60,000 could claim transitional benefit, the deficit between income and expenditures under present schedules would be about £39,450,000 annually. Briefly, the net result of the Commission's various proposals in this regard would be to raise the annual charge for unemployment insurance from £49,850,000 to £52,000,000, while on the other hand they would reduce the annual borrowing from the fund from £39,450,000 to £7,650,000.

Commenting upon the interim report Barclay's Bank Monthly Review says: "Admittedly, amendments to the broad principles upon which the existing arrangements are founded cannot be undertaken until the final recommendations of the Commission are available, but immediate action along the lines indicated in the first report would not only help to improve the financial position, but would also tend to check some of the indefensible developments. In the circumstances it is all the more regrettable that, on the major issues raised, remedial action is to be deferred."

ROYAL CO. REPORTS FAIR PROFITS, 1930

Fire Premiums Down Owing to Diminished Business in U. S.

While showing a pronounced reduction in profits in comparison with former years, the Royal Insurance Co. was able to close 1930 with an aggregate profit of $3,625,666. Total assets, standing at $243,802,180 indicate an increase of $3,516,150.

The Royal, with its affiliated companies, is the largest fire insurance organization in the world, as is shown by the fact that the net fire premium income represented $32,062,033 of the total premium income of $73,610,421. At that figure it was $1,852,000 lower than in 1929, the reduction being attributed to a diminished demand for cover in the United States, where the company has extensive connections.

The 1930 fire loss ratio was 50.3 per cent as against 47.6 per cent in 1929 and 45.5 per cent in 1928. The net profit on the year's fire business was $2,173,891, or about $563,000 less than in the previous year.

Life department showed considerable expansion, policies having been issued for $18,609,364, constituting an increase of $604,678 over the 1929 figure.

The company maintained its volume of business written in Canada, where it transacts all classes of insurance, excepting marine. During 1930 total premiums amounted to $5,658,720, made up of: fire, $2,882,299; auto (excluding public liability), $436,754; casualty, $726,520; and life, $1,613,147. These figures include premiums of the Queen, Newark Fire and Hudson Bay, all members of the Royal group. Fire loss ratio for 1930 was 51.7 per cent, compared with an average for all companies in Canada of 57.53 per cent.

Net amount of Canadian business in force amounts to $24,679,763.

C. P. R. Subsidiary Seeks New Capital

Minneapolis, St. Paul and Sault Ste. Marie Railway, subsidiary of the C. P. R. has asked Interstate Commerce Commission authority to issue $12,500,000 first mortgage 5½ per cent series "B" in lieu of an equal amount of series "A" 6 per cent bonds now issued in the form of a temporary bond. Company will hold the series "B" bonds in its treasury and use them as collateral for loans if necessary.

DAIRY INDUSTRY GAINS IN VOLUME

But Total Value Lower, 1930, Due to Drop in Prices

Output of the dairy products industry in Canada during 1930 had a value of $127,184,513, compared with $141,389,997 in 1929 and $144,373,614 in 1928. The decrease in total value is due to lower average prices for butter and cheese.

Total quantity of creamery butter produced in 1930 was 187,151,247 lbs., an increase over the previous year of over 16 million pounds. Value, however, was $8,751,984 less. The 1930 output is the largest recorded for any year in the history of the industry, exceeding the previous high year, 1924, by over 8 million pounds. Average price in 1930, however, was 30.55 cents per pound as against 38.60 cents in 1929 and 33.82 cents in 1924.

Factory cheese output showed little change in volume from the previous year, being 118,919,558 lbs. in 1930 and 118,746,286 lbs. in 1929. Again the value, $18,105,447, was lower by nearly $3,000,000, the decrease being due to a drop in the average price from 18.08 cents per pound in 1929 to 15.22 cents.

Good increases in the quantity of evaporated milk and skim milk powder produced were not sufficient to offset small decreases in several other lines of concentrated milk products. Prices were not subject to any great change in the two years, however, and the total 1930 value of concentrated milk products was about $450,000 less at $10,039,369.

Ice-cream produced in dairy factories in 1930 totalled 7,134,013 gallons, a decrease from the previous year of 71,131 gallons.

Number of dairy factories in operation in the Dominion in 1930 was 2,719, comprising 1,200 creameries, 1,202 cheese factories, 291 combined butter and cheese factories and 26 concentrated milk plants. The total of these shows a decrease of 78 from the preceding year.

Drop in Paint Sales Blamed on Economy

While paint manufacturers maintained a satisfactory volume of sales as regards gallonage this spring, dollar value showed a considerable falling-off, according to Canadian Paint & Varnish Magazines.

Companies with business extending throughout the Dominion report that paint sales in Eastern Canada held up fairly well, but the decline of business in the western provinces considerably altered their total figures. Sales to industrial companies and transportation systems have shown a severe decline, while the consumption of paints and varnishes by automobile and furniture factories has been greatly reduced owing to the curtailment of output of their products.

Householders' economy and the reduction in building, has been responsible for much decreased sales to decorators in many territories. Moreover, some manufacturers report that they have been considerably affected by the amount of cheap paint offered by department stores under their own labels, a great deal of business having been diverted away from the normal retail channels in this way.

LETTER SHOWS SERIOUS PLIGHT OF M. & O. PAPER

(Continued from page 11)

permanent services of capable executives to supplement the work of the present management, as appears desirable.

Stress Quick Action

"It is impracticable for 58 per cent of the bondholders to acquire the properties. In order to assure a successful reorganization, substantially all the bonds should be deposited. The necessity of immediate action on the part of bondholders, in view of the circumstances is not to be minimized. This applies to all bondholders who have not deposited their bonds, regardless of the amounts of their holdings. If there are prompt deposits of sufficient additional bonds to justify planning on a reorganization in conjunction with other parties at interest, the committee will prepare and submit to all bondholders what it believes to be an equitable plan. If the plan so submitted is declared operative and does not meet with the approval of any depositor, bonds can be withdrawn in accordance with the terms of the protective agreement."

Plan Grain Elevator at Windsor

If financial and other arrangements are concluded, it is proposed to erect a grain storage elevator from 1,000,000 to 2,000,000 bushels capacity on the Windsor waterfront. C. R. Vanatter and Company, Toronto grain brokers, are promoting the project which is reported to mean an outlay of $850,000. The structure would be erected in units, of which the first would be 1,000,000 bushels in capacity.

Ship New N. B. Potatoes

The shipment of last year's crop of potatoes in New Brunswick is finished and the new potatoes are now available to supply the needs of the immediate localities. Shipping of new potatoes will not begin until the first of August when they will be on hand in sufficient quantities.

New Quebec Compensation Available

Workmen's Compensation Act, Quebec, 1931, has been published by the Quebec Compensation Commission and is now available in printed form. The pamphlet includes an Act to amend the Quebec Mining Act respecting certain medical examinations, and Act respecting silicosis, as well as the full text of the Workmen's Compensation Act and schedules.

Canadian Quotations—Cont'd

Foreign Exchange

	New York Funds High	New York Funds Low	Last Year High	Last Year Low
	(Premium)		(Premium)	
July 15	5-8	9-32	1-64	3-64
July 16	1-2	1-4	3-64	3-32
July 17	23-64	9-32	3-32	9-64
July 18	11-32	21-64	1-8	5-32
July 20	11-32	5-16	9-64	5-32
July 21	11-32	21-64	1-8	9-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
July 15	4.83 1-2	3.93 7-8	5.21 3-8
July 16	4.85 1-8	3.92 1-2	5.22 1-16
July 17	4.84 7-8	3.92 5-8	5.22 1-2
July 18	4.84 3-8	3.92 1-2	5.22 5-8
July 20	4.84 3-4	3.92 3-8	5.22 5-8
July 21	4.84 1-2	3.92 3-16	5.22 3-4

FOREIGN EXCHANGE

Par		July 7	July 14	July 21
5.26	Italian	5.25¼	5.23¾	5.22¾
23.80	German	23.79	22.34½	23.50
13.90	Belgian	13.99⅛	14.00½	13.93¼
49.80	Japanese	49.50	49.50	49.31

Mining Stock Quotations

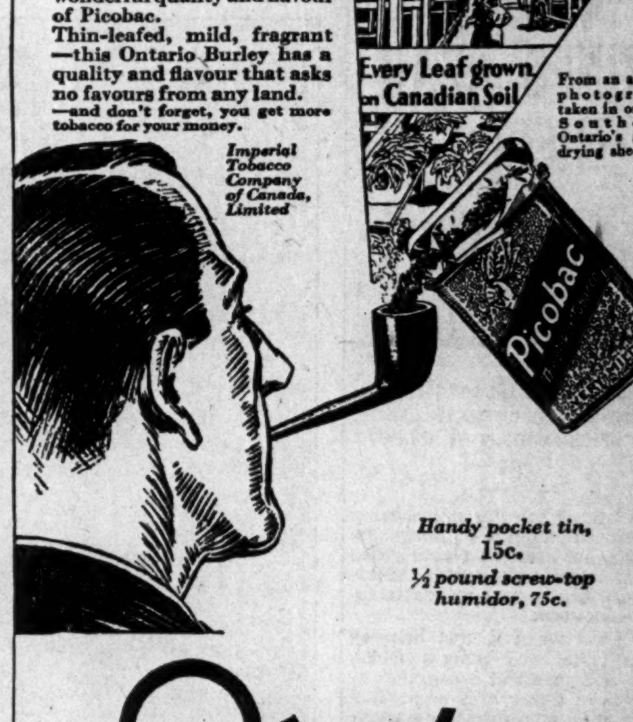
Week Ending July 20

Par Val.	Range 1931 High	Range 1931 Low	Company	Sales	Close July 13 (or last)	High for Week	Low for Week	Close
1	.23	.05½	Abana	1,105	.06	.06½	.05½	.05½
1	.03	.01	Aconda	5,000	.01½	.02	.01½	.02
1	.05½	.03½	Adrien	......	.04¾	.....	.....	.....
No	.50	.12	Aldermac	......	.25	.....	.....	.....
1	.05	.00¼	Algonquin	3,500	.00¾	.00¾	.00¼	.00¼
1	.02½	.01	Amity C.	3,000	.01	.01	.01	.01
No	.45	.12	Amulet	16,400	.19	.20	.16	.20
1	.02½	.01	Apex	107,500	.01¼	.01¼	.01¼	.01¼
1	.05	.01	Area	......	.01¼	.....	.....	.....
1	.01	.00½	Argo. Cons.	......	.00½	.....	.....	.....
1	.08½	.01	Arno	35,500	.03	.03	.02	.03
1	.01¼	.01¼	Astoria	......	.01¼	.....	.....	.....
1	.02	.00½	Atlas	1,000	.00¾	.00½	.00½	.00½
1	.07	.05½	Bagamac	......	.06½	.....	.....	.....
1	.02¾	.01	Baldwin	......	.01¼	.....	.....	.....
1	.19½	.08	Barry Holl.	13,100	.10	.10½	.10	.10
No	1.45	.75	Base Metals	1,140	1.05	1.05	1.05	1.05
No	.04	.00¾	Bathurst	7,500	.02	.02	.01½	.02
5	1.75	.60	B'Wana	......	.75	.....	.....	.....
1	.28	.26	Ben Nevis	......	.27	.....	.....	.....
No	.09½	.03½	Bidgood	77,200	.05	.05½	.04¾	.05
1	.50	.18	Big Missouri	8,800	.25	.27	.25	.25
1	.05½	.04¾	Blue Quartz	......	.04¾	.....	.....	.....
1	.12	.02	Bobjo	2,500	.03	.03	.03	.03
No	.01	.00½	Boischatel	......	.00½	.....	.....	.....
1	.08	.01¼	Brett Trethewey	3,000	.01¼	.01¼	.01¼	.01¼
1	.03	.03	Brit. Canadian	......	.03	.....	.....	.....
No	.12	.02½	Brownlee	103,000	.03¼	.03½	.02¾	.03
1	.02	.00½	Buckingham	2,000	.00¾	.00½	.00½	.00½
1	.08½	.02	Bunker Hill	10,000	.02¾	.02½	.02	.02¾
No	.03	.01	Cal. Flin Flon	......	.01	.....	.....	.....
1	.02	.01	Cambro Kirk	500	.01	.01	.01	.01
No	.05½	.02½	Canam Metals	......	.02½	.....	.....	.....
1	.06½	.01¾	Can. Kirk	13,000	.02	.02	.01¾	.02
1	.02	.02	Can. Lorraine	......	.02	.....	.....	.....
1	.32½	.12	Canusa	......	.17	.....	.....	.....
1	.04¾	.00½	Capital R.	1,000	.00½	.01	.01	.01
1	.26½	.15	Castle Tre.	1,000	.16	.16	.16	.16
1	.23	.03	Cen. Manitoba	1,600	.11	.11	.10	.10
1	.17	.08	Can. Patricia	......	.08	.....	.....	.....
1	.02	.01½	Champion R.	......	.02	.....	.....	.....
No	.59	.02	Chib. Pros.	700	.10	.08	.08	.08
No	.08	.02½	Clericy	26,000	.02½	.02½	.02½	.02½
5	10.50	2.50	Coast Copper	170	3.50	3.12	3.00	3.12
1	.05½	.01¼	Cobalt Contact	1,000	.02	.01½	.01¼	.01¼
1	.02	.00½	Col. Kirkland	......	.01½	.....	.....	.....
1	.39	.05	Columario	5,800	.08	.09	.07	.08
5	.80	.50	Coniagas	......	.80	.....	.....	.....
5	.62	.25	Coniaurum	500	.31	.25	.25	.25
25	188.25	71.25	Cons. Smelters	4,014	99.00	99.00	87.50	95.00
1	.01	.00½	Corona	......	.01	.....	.....	.....
1	.02½	.00½	Crown Res.	7,000	.01¼	.01¼	.01	.01
.	.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.17	.03	Dom. Explor.	10,500	.07	.08	.07	.08
1	.03	.00½	Dom. Kirk	500	.00¾	.00½	.00½	.00½
No	13.40	9.00	Dome Mines	5,400	11.50	12.25	11.00	11.75
No	.33	.30	Don. Woolsey	......	.30	.....	.....	.....
1	.01	.00¼	Don. Rouyn	......	.01	.....	.....	.....
1	.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	.02¼	.00¼	Duprat	6,500	.01½	.02¼	.00¾	.02
1	1.28	.20	Eldorado	60,350	.92	.97	.82	.85
No	1.70	.75	Falconbridge	5	1.05	1.25	1.25	1.25
1	.08½	.02	Federal	2,500	.04½	.04	.03½	.03½
No	.01½	.00½	Flintoba	3,500	.00½	.00¾	.00¾	.00¾
No	.30	.07	Gem Lake	2,600	.07	.09	.07½	.09
No	.04½	.02½	Gilbec	21,500	.04½	.04½	.02½	.02½
1	.08	.02½	Goldale	2,500	.03½	.03½	.03½	.03½
10	.25	.15	Goldfield	......	.18½	.....	.....	.....
1	.01½	.00½	Gold Hill	500	.00¾	.00¾	.00¾	.00¾
1	.11	.02¾	Goodfish	1,400	.03¾	.04	.03½	.04
1	.04	.00¾	Graham	......	.01¼	.....	.....	.....
No	2.30	1.25	Granada	365	1.35	1.40	1.35	1.40
1	.12	.06	Grozelle	4,500	.12	.11	.10½	.11
1	.03	.01	Harker	1,500	.01½	.01½	.01½	.01½
.	.30	.28	Halliwell	......	.28	.....	.....	.....
1	.08½	.07½	Hayden	......	.08	.....	.....	.....
1	.04½	.00½	Hilltop	10,000	.01¾	.02	.01½	.01¾
5	8.70	5.70	Hollinger	20,735	6.50	6.60	5.70	6.00
1	.38	.20	Howey Gold	11,925	.29	.30	.27	.30
No	6.30	3.25	Hudson Bay	975	4.25	4.25	3.80	4.25
No	.40	.30	Huronian	......	.36	.....	.....	.....
No	20.50	9.50	Int. Nickel	31,399	14.00	14.75	12.25	14.50
1	.03	.00½	Jackson M.	4,500	.00¾	.01	.00½	.00
1	.34	.23	Keeley	5,000	.24	.23	.23	.23
1	.04½	.00½	Keora M.	......	.01½	.....	.....	.....
1	.51	.27½	Kirk. Hud. Bay	3,100	.27½	.51	.45	.45
1	.03	.01	Kirk. Hunton	1,000	.01	.01¼	.01¼	.01¼
1	.93	.54	Kirk. Lake	20,515	.63	.63	.55	.61
1	.08	.01	Kirk. Prem.	8,500	.02½	.03	.02½	.03
1	.13½	.05½	Kirk. Town	1,100	.10½	.11	.10	.10
20c	.02¾	.00¾	Koot. Flor.	3,000	.01	.00¾	.00½	.00¾
1	.02	.00½	La Rose	......	.01½	.....	.....	.....
.	.69	.38	Lakeland	600	.40	.46	.45	.46
1	28.50	23.50*	Lake Shore	959	27.00	26.95	26.05	26.50
1	.02	.01	Laval	......	.01	.....	.....	.....
1	.02	.01½	Lebel Oro	......	.02	.....	.....	.....
No	.35	.35	Locarno	......	.35	.....	.....	.....
1	.55	.10	Macassa	18,200	.37	.39	.35	.39
1	.12	.02	Malartic	......	.04	.....	.....	.....
No	.15	.06	Mandy	......	.09	.....	.....	.....
No	.06	.02	Man. Basin	34,500	.03½	.03½	.03	.03
1	.55	.20	McKinley	......	.35	.....	.....	.....
5	26.50	20.00	McIntyre	2,660	21.75	22.00	21.35	22.00
No	.33	.08	McLeod River	37,600	.12½	.13¼	.11¼	.11¼
1	.04	.04	McVittie	......	.04	.....	.....	.....
1	.29	.07	MacMillan	......	.07	.....	.....	.....
1	.01½	.00½	Millcrest	......	.01	.....	.....	.....
5	2.84	1.46	Mining Corp.	2,365	1.75	1.90	1.69	1.90
1	.10½	.01	Moffatt Hall	55,500	.07¼	.08½	.07	.08¼
1	.04	.02	Moneta	......	.03	.....	.....	.....
1	.00½	.00½	Mtl. Rouyn	......	.00½	.....	.....	.....
1	.63	.20	Moss	111,625	.38½	.38¾	.35½	.37½
1	.09	.01	Murphy	11,000	.02¾	.03½	.02¾	.02¾
1	.07¾	.02	Newbec	6,200	.03½	.04½	.03½	.04½
1	.40	.25	Nevada	......	.25	.....	.....	.....
1	.09	.02	Night Hawk	1,000	.04	.03	.03	.03
5	1.90	.80	Nipissing	1,300	1.25	1.25	1.14	1.20
No	29.65	14.00	Noranda	19,880	18.55	19.50	17.60	19.25
1	.50	.25	Nor. Canada	1,500	.30	.32	.32	.32
No	.03	.00½	Old Colony	19,500	.00¾	.00½	.00½	.00½
1	.01	.00½	Ophir	2,000	.00¾	.00½	.00½	.00½
1	.10½	.02¾	Oriole	4,000	.04	.03	.02¾	.03
1	.21	.07	Osisko	1,500	.10	.10	.10	.10
1	.25	.23	Parkhill	......	.23	.....	.....	.....
1	.15	.14	Patricia Dent	......	.14½	.....	.....	.....
1	.04	.01½	Pawnee Kirk	13,500	.03	.03	.03	.03
No	1.61	.60	Pend. Ore	485	.75	.75	.70	.70
1	.04½	.01	Pete. Cobalt	6,000	.02	.01½	.01½	.01½
.	.50	.50	Phy. Molybd.	......	.50	.....	.....	.....
1	.01¼	.00¼	Picard	......	.00½	.....	.....	.....
1	.12	.07	Pioneer	1,500	.09	.08½	.08	.08
1	.02½	.00½	Porc. Crown	......	.00½	.....	.....	.....
1	.02	.00½	Potter Deal	4,000	.00¾	.00¾	.00¾	.00¾
1	.45	.36	Powell Ryn.	......	.36	.....	.....	.....
1	.99	.65	Prem. Gold	3,600	.68	.70	.65	.65
1	.02½	.00½	Preston E. Dome	......	.00½	.....	.....	.....
1	.25	.13	Quemont	......	.16½	.....	.....	.....
1	.05¾	.00½	Ribago	85,750	.03½	.05¾	.03½	.05½
1	.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.15	.02	Ritchie	14,500	.02½	.02½	.02	.02½
1	.04	.00¾	R. Montbray	......	.01¾	.....	.....	.....
1	.05	.04	Rubec	......	.04	.....	.....	.....
No	.25	.10	San Antonio	5,700	.16	.16½	.11	.15
1	.21	.15	Seven Troughs	1,000	.16	.15	.15	.15
1	1.25	.49	Sherritt G.	15,186	.61	.64	.59	.63
1	.55	.36	Siscoe	29,495	.48	.49	.46½	.48
1	.18	.02	So. Keora	6,500	.06	.06	.04	.04
No	.05	.01½	Stadacona	24,000	.01¾	.02	.01½	.02
1	.30	.03½	St. Anthony	26,000	.08	.15	.08	.14½
No	.82	.38	Sud. Basin	1,935	.43	.45	.40	.40
1	.03	.01	Sud. Contact	1,000	.02	.02	.02	.02
1	.03½	.00½	Sudbury M.	2,500	.00¾	.00¾	.00¾	.00¾
No	.04½	.01	Sudbury N.	500	.03	.03	.03	.03
1	.18	.09	Sullivan	500	.09	.11	.11	.11
1	1.14	.48	Sylvanite	8,400	.66	.68	.65	.67
1	.20½	.04	Tashota	4,500	.10½	.07½	.07½	.07½
1	8.65	5.15	Teck Hughes	11,510	6.75	6.75	6.50	6.75
1	.10½	.01	Telluride	1,000	.01¼	.01	.01	.01
1	.01½	.01½	Temiskaming	......	.01½	.....	.....	.....
1	.06½	.02½	Thom. Cad'c.	......	.03	.....	.....	.....
1	.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.63	.17	Towagmac	100	.35	.25	.25	.25
No	2.65	1.00	Treadwell	......	1.25	.....	.....	.....
No	2.85	2.40	Tri-Metals	......	2.85	.....	.....	.....
.	.15	.04	United Kirk	4,500	.05½	.05	.04½	.04½
.	.03	.01	Vacuum Gas	2,500	.01½	.02½	.01	.02
No	.86	.35½	Ventures	21,700	.45	.45	.40	.45
1	.15	.01½	Vickers	......	.07	.....	.....	.....
1	1.22	.70	Vipond	4,050	.75	.75	.70	.72
No	2.00	.90	Waite Ack.	50	1.25	1.30	1.30	1.30
1	.02½	.01	West Tree	......	.01	.....	.....	.....
1	.27	.05	White Lake	8,500	.09	.10	.08½	.09
1	.06	.02	Wiltsey	......	.04	.....	.....	.....
No	.01½	.00½	Windfall R.	......	.01	.....	.....	.....
.	.13	.06	Wood Kirk	......	.07	.....	.....	.....
No	3.18	1.85	Wright-Har.	14,530	2.75	2.80	2.70	2.78
			WESTERN OIL STOCKS					
1	.30	.16	Acme	45,083	.16	.18	.13½	.16
No	.50	.50	Advance	......	.50	.....	.....	.....
1	.37½	.10	Alta. Pac.	3,940	.10	.10½	.10	.10½
1	.08	.07	Amalgamated	......	.08	.....	.....	.....
No	.25	.05	Associated	300	.05	.08	.07	.08
1	1.89	1.10	Ajax	5,100	1.25	1.24	1.10	1.20
No	.12	.02	Baltac	400	.03	.02	.02	.02
1	.07	.05	Black Dia.	......	.05	.....	.....	.....
1	.33½	.10½	Brit. Dom.	600	.10	.10	.10	.10
1	.32	.06	Calmont	3,180	.08	.08	.06	.08
No	.82	.26	Calgary & Ed.	2,850	.37	.40	.26	.26
1	.47	.12	Comm. Pete.	13,110	.22	.17	.14	.16
No	.60	.19	Dalhousie	245	.22	.22	.20	.22
No	.08	.02	Devenish	500	.03½	.02	.02	.02
No	.12	.04	Dome Oil	1,200	.05½	.05	.04	.04
No	.69	.15	E. Crest	7,401	.18	.19	.16	.17
1	.05	.01	Fabyan Pete.	16,500	.01¼	.01¼	.01	.01
No	.60	.20	Foothills	......	.25	.....	.....	.....
No	.18½	.04	Freehold	2,100	.04	.04½	.04½	.04½
1	.02	.01	Great West	......	.02	.....	.....	.....
No	.17	.05	Hargal	250	.07½	.06½	.05½	.06
No	.10	.03½	Herron Pete.	......	.03½	.....	.....	.....
No	.07½	.02	High Sarcee	6,400	.05	.02	.02	.02
No	2.00	.48	Home	546	.55	.60	.52	.53
No	.22	.05½	Homestead	600	.07	.06½	.05½	.05½
1	1.70	.65	Homest'd O. & G.	4,600	.85	.85	.65	.65
1	.08¾	.01	Illinois	18,700	.01½	.01½	.01	.01
No	.70	.10½	Lowery	1,000	.20	.20	.20	.20
1	.05	.00½	Madison	4,125	.01	.01	.00½	.00½
1	.85	.20	Mayland	510	.27	.25	.20	.20
No	.11	.03	McD. S. Ex.	100	.03	.03	.03	.03
1	.29	.03	McD. S. N.	1,100	.03	.03½	.03	.03½
1	.72½	.25	McLeod	1,050	.30	.33	.30	.33
No	.39	.11	Mercury	5,660	.11½	.12	.11	.11
No	.20	.07	Merland	7,000	.08¾	.08¾	.08¾	.08¾
1	.18	.08	Mid West	......	.10	.....	.....	.....
No	.38	.10½	Mill City Pete.	......	.11	.....	.....	.....
1	.49	.11	Model	6,960	.14	.14	.11	.11
1	.18	.03	Monalta	50	.03	.03	.03	.03
1	.31	.07	Moose M.	......	.07	.....	.....	.....
1	.04	.02	New Federal	......	.02	.....	.....	.....
No	.56	.15	Nordon	28,800	.16½	.21	.15	.21
No	.11	.02¾	Oil Select	11,100	.06	.05¾	.05	.05
No	.28	.04½	Okalta	8,500	.06	.07	.06	.07
100	27.00	15.00	Do., Pref.	......	15.00	.....	.....	.....
No	.22	.05	Olga Gas & Oil	700	.12	.12½	.10	.10
1	.37½	.20	Petrol	500	.24	.22	.22	.22
No	.28	.02	Penn. Pete.	50,900	.03¾	.04¾	.03¾	.04
No	.25	.09	Ranchmen's	2,520	.09	.11	.10	.10
1	.05	.01½	Regent	......	.01½	.....	.....	.....
No	.13	.02	Richfield	650	.02	.03	.02	.03
No	17.75	6.25	Royalite	92	7.00	7.00	6.50	7.00
1	.82	.30	Sarnia Oil	39,900	.40	.40	.30	.39
1	.06½	.01	Signal Hill	725	.03	.03	.01	.03
No	.27	.10	So. West Pete.	......	.10	.....	.....	.....
1	.60	.12	Spooner	130	.20	.12	.12	.12
No	.19	.09	Sterling Pac.	......	.10½	.....	.....	.....
.	.15	.15	Turner Basin	......	.15	.....	.....	.....
1	.16	.12	Turner Valley	......	.12	.....	.....	.....
No	.31	.09	United	1,550	.13½	.13½	.12	.12
1	.15½	.08	Vulcan	665	.09	.09½	.09	.09
No	.05	.00½	Wainwell	21,600	.01	.01¼	.01	.01
1	.28	.08	Waite Valley	......	.12	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to July 15)					
25c	.01	.00½	Bayview	......	.00½	.....	.....	.....
25c	.07	.01	Beaver Silver	2,000	.05	.05	.05	.05
25c	.02½	.00½	Bluebird	......	.02	.....	.....	.....
25c	.70	.50	B. C. Silver	......	.50	.....	.....	.....
25c	.02	.00¾	Cork Province	100	.01	.01	.01	.01
1	.20	.12	Cotton Belt	1,600	.15	.15	.15	.15
1	.04	.02	Dunwell	......	.02	.....	.....	.....
1	.10	.04½	Duthie	......	.04½	.....	.....	.....
1	.90	.40	George Copper	350	.50	.45	.43	.43
50c	.05	.01	Geo. Enterprise	......	.01	.....	.....	.....
1	.05	.01¾	Georgia River	......	.02½	.....	.....	.....
50c	.02½	.02½	Glacier	......	.02½	.....	.....	.....
10c	.01	.01	Gladstone	......	.01	.....	.....	.....
1	.45	.18	Golconda	400	.26	.24½	.24½	.24½
50c	.07½	.03	Grandview	......	.04½	.....	.....	.....
No	27.50	17.00	Howe Sound	......	21.25	.....	.....	.....
1	.17½	.11	Intern. Coal	500	.12	.12	.12	.12
1	.01½	.01	Independence	500	.01	.01	.01	.01
1	.01½	.01	Indian Mines	......	.01½	.....	.....	.....
1	.43	.24	Jack Waite	......	.32	.....	.....	.....
25c	.02	.00½	Kootenay King	......	.01	.....	.....	.....
25c	.00½	.00½	Lakeview	......	.00½	.....	.....	.....
25c	.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.12½	.07½	Lorne Gold	8,000	.08	.08	.07½	.07½
1	.12	.12	Los Ang. Van.	......	.12	.....	.....	.....
10c	.03½	.01½	Lucky Jim	......	.02	.....	.....	.....
2.50	.01	.00¾	Marmot Gold	......	.01	.....	.....	.....
50c	.01	.00½	Marmot Metals	......	.00½	.....	.....	.....
25c	.00½	.00½	Mohawk	......	.00¾	.....	.....	.....
1	.25	.14	Montana Mines	......	.17	.....	.....	.....
1	.05	.01½	Morton Woosley	3,000	.02	.01½	.01½	.01½
50c	.03½	.01	National Silver	5,300	.01½	.02½	.01½	.01½
50c	.09½	.04	Noble Five	8,500	.07	.05	.05	.05
50c	.12½	.04	Oregon Cop.	1,000	.04	.04	.04	.04
1	2.60	1.23	Pioneer Gold	5,110	2.20	2.30	2.20	2.30
50c	.09	.04	Porter Idaho	2,600	.05½	.05½	.05	.05
No	.02	.00¾	Premier Border	......	.00¾	.....	.....	.....
No	.55	.20	Reeves McD.	1,640	.30	.26	.25	.25½
1	.28	.11	Reno Gold	8,300	.28	.28	.26	.28
1	.04	.02	Rufus Argenta	......	.02	.....	.....	.....
1	.07	.04	Ruth Hope	......	.04	.....	.....	.....
1	.05½	.04	Silverado	......	.05½	.....	.....	.....
25c	.03	.01½	Silver Crest	2,000	.03	.01¼	.01½	.01½
50c	.05	.01¾	Snowflake	600	.02½	.02	.02	.02
1	.45	.30	Sunloch	......	.30	.....	.....	.....
50c	.01¾	.01	Topley Rich.	3,000	.01	.01¼	.01	.01
5	.20	.05	Toric	400	.20	.05	.05	.05
20c	.01	.01½	Wellington	......	.01	.....	.....	.....
1	.05	.02	Whitewater	......	.02	.....	.....	.....
No	.03½	.00¾	Woodbine	5,000	.00¾	.00¾	.00¾	.00¾

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	2.63	Premier	12c.	18.30
Dome Mines	$1	8.51	Pioneer B.C.	6c.	....
Granby	$1	....	Royalite	50c.	....
Hollinger	65c.+5	11.66	Spooner Oils	6c.	....
Howe Sound	$2	....	Sylvanite	4c.	....
Inter. Nickel	60c.	4.14	Teck Hughes	60c.	8.88
Lake Shore	$1.20+30	5.65	United Oils	5c.	....
McIntyre	$1	4.54	Wellington Oil	5c.	....
Mercury Oil	5c.	....	Wright-Har.	10+2½c.	4.49
Model Oils	12c.	....			

a. Stock bonus 1 share for each 20 shares held.



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PORCUPINE CAMP SEES OLD PRODUCERS SCALING NEW HEIGHTS

NO SIGN YET MINES NEAR THEIR LIMIT

Work Goes on That May Greatly Extend Life

SUDBURY EXAMPLE

In That Camp Greatest Find Made After Original Discoveries Nearly Worked Out

The life of the Porcupine camp has been the subject of many discussions, but after 21 record years of production it gives little indication on which to base any satisfactory deductions.

At times when it was believed that a crisis was being reached, new developments at depth, the exploration of a new area or production from an area formerly regarded as unfavorable, brought about a complete change and tended to confirm the "inexhaustible wealth of the Pre-Cambrian." Prospecting in the Porcupine area is not unlike that in other parts of the Pre-Cambrian, extremely difficult. Heavy overburdens, swamps, lakes and forest coverings leave but comparatively few outcrops to guide the prospector. Two of the great mining camps in Ontario, Cobalt and Sudbury, serve to emphasize the problem of exploration since both were discovered accidentally in blasting for railway cuts. The story is told of the discussions that used to take place between engineers on the relative life of the Murray and Creighton mines in Sudbury and what would happen upon their exhaustion. Now the Frood mine, heralded as one of the world's most valuable known mineral deposits makes the other mines in the area relatively insignificant.

Push New Development

What has taken place in Sudbury could very well take place in Porcupine and is taking place to a certain extent. As underground development is pushed on new productive areas loom up. The Platt Vet claims of the McIntyre-Porcupine mines have remained for 20 years undeveloped, but the first attempt at their exploration at depth, gives most interesting results.

In the Hollinger, Dr. H. B. Graton, of Harvard University, is making an exhaustive study of ore possibilities at depth. While he is continuing his study, Hollinger's own exploration staff made an interesting find in the Schumacher section of its property, which is to be explored at once to a depth of 5,500 ft.

In the Dome mines the sediments were looked upon as being the only profitable area for exploration, yet development in the greenstone areas north of this sedimentary basin are perpetuating the life of this mine.

At the present time there is greater interest and activity in the exploration of gold than at any time in past history. Lower mining costs, greater knowledge of metallurgical treatment, and greater geological knowledge all make for intensive exploration.

Prospect Proven Areas

The Ashley-Garvey find in the Matachewan area last fall and its development together with the recent find on the Davidson property emphasize the value of prospecting proven areas.

The mining market boom and the promotion of highly capitalized companies having remote, inaccessible properties, about which little was known, captured the public's imagination. The collapse of this boom and of these promotions was a sound lesson in the impracticability of venturing far afield in areas in which there was inadequate knowledge.

Porcupine passed through the same boom days as other mining camps and many properties are only now receiving well merited attention, owing to the collapse of boom tactics employed in the early days. Once a property receives preliminary exploration and operations are suspended and finances become exhausted, great difficulty is experienced in reviving interest. Only a very small area of the Porcupine district has been adequately prospected and most of this only where there have been surface showings. What the future will reveal as development progresses is a matter of conjecture. Indications are that Porcupine's widespread mineralization intelligently prospected and developed by strongly financed groups will add an interesting chapter to that which has been written in the past 21 years, and prove the value of further exploration of our producing areas close to home.

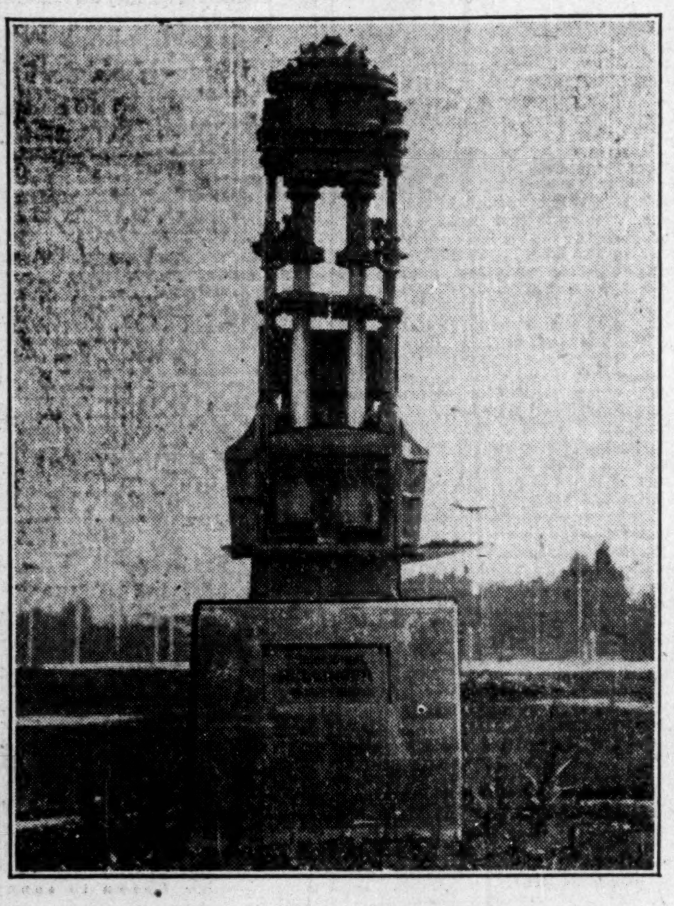
LaRoche Mines Developments Are Promising

LaRoche Mines was incorporated in 1928 to develop what is known as the McMahon claims. Early this year the company's property was optioned to the Buffalo-Rouyn Mines, and the Federal Kirkland Gold Mining Co. jointly, which are now actively engaged in doing surface work.

The property consists of two patented claims in Deloro township, about three miles south of the Hollinger mine. Exploration by several trenches has shown mineralization, giving encouraging gold assays.

The company is capitalized at $3,000,000 in $1 par value shares all unissued shares are under option to Federal Kirkland and Buffalo-Rouyn.

Hollinger's First Mill



From a small stamp mill illustrated above Hollinger has grown until it has the largest mill for treating gold in Canada.

Rising Burden of Taxes Seen as Threat to Mining

Ontario Government and Federal Government Exact Higher Toll Although Cost Cannot be Passed On

By B. F. TOWNSLEY,
Mining Editor, The Financial Post

George S. Henry, premier of Ontario, recently said: "Mines are not taxed to the amount which they are capable of paying."

At a time when the eyes of the world are focused on gold — and Canada's gold mines are thriving as are few other enterprises in the Dominion,—it is not difficult to understand the attitude of governments toward these profitable undertakings at a time when necessity demands new sources of government revenue. The tax levies, direct and indirect, by federal, provincial and municipal governments, cannot individually be considered burdensome, but collectively are approaching a menace to progress.

Such a tendency toward increased taxation of our gold mines on the part of governments, mine operators believe, is breaking faith with the established precedent toward mine taxation and if continued will destroy confidence and retard capital expenditures for expansion.

McCrea on Record

The Hon. Charles McCrea, minister of mines for Ontario, shortly after taking office, made the following comment at Copper Cliff, Ontario, in 1923:

> "Mining taxation is a subject which bears definitely upon the welfare of the mining industry. Every government must have a revenue but that revenue should be raised in such a way as to hamper as little as possible legitimate enterprise or industry.
>
> "A mining tax should be fair and one which appeals to the natural sense of justice. Our present system is a tax on net profits after all expenses are met. On profits in excess of $10,000, the Mining Tax takes three per cent, one half of which goes to the Government and one half to the municipality in which the mines are situated, to meet local needs for roads, schools, etc. On profits from one to five million dollars, the tax is five per cent; six per cent over five millions, and so on. The first $10,000 is exempt. The **result is that if a mine is worked at a loss, it pays no tax at all**; if it makes a small profit, it pays a small tax; if profits are large, the tax increases accordingly. It is difficult to imagine a fairer or less onerous method of taxation, or one better adapted to meet fluctuating conditions from year to year as profits rise or fall. A just and fair tax should be levied on profits, **never on capital.** A mining tax should not discourage development. The present tax meets this requirement. In the early years of a mine when it is all outgo and no income, the mine pays no tax. Not until it reaches a productive and profitable stage does the tax take effect, and then the mine can afford to pay it. Further, a tax on profits does not operate against the opening up of low grade deposits, or those in which the chance of success is to a certain extent speculative.
>
> "A mining tax should be stable. There should be a large measure of certainty with regard to future charges not controllable by the mine-owner. Not otherwise can capital make its plans or gauge its necessities. The amount of taxation must have relation to the amount of revenue the Government requires, but frequent or violent changes in the rate are to be avoided. Better have fifty mines at work yielding a moderate profit and paying a moderate tax, than five mines operation bonanzas, with lower grade ore-bodies lying unworked."

This spring the Ontario government levied a corporation tax of one-tenth of one per cent on capital. That is, if a company's capital is assessed at $1,000,000, it pays corporation taxes to the extent of $1,000. If it has an earned surplus, this is likewise taxed at the same rate.

Federal Taxes Also Up

The federal government this year increased its business profit tax from eight to ten per cent, retroactive to companies whose fiscal year ended in 1930. It also increased the sales tax and raised the tariff. The Dominion profits tax exempts fifty per cent of the net profits from mining operations as a return of capital, but assesses the entire non-operating income. It also permits the writing-off a reasonable allowance for the mines' pre-production expenses. That is, expenditures made in developing the mine and opening up its ore bodies before production was started, less a reasonable allowance for ore put in sight. It also allows fifteen per cent depreciation on plant. The Ontario mines tax makes no exemption for production expenses, but allows fifteen per cent depreciation on plants.

The increased sales tax and tariff affects mining costs by increasing the cost of supplies and machinery necessary for mining operations.

How Burden is Borne

Collectively, these taxes work out in a typical mining operation as follows:

	1930 $	1931 $
Federal:		
Bus. profits tax, mining operations	60,000	75,000
Bus. profits tax, non-oper. income	24,000	30,000
	84,000	105,000
Provincial:		
Mining tax	55,000	51,000
Corporation tax, milling operations	......	1,500
Corporation tax, earned surplus	......	5,000
	55,000	61,500
Municipal:		
Shops. houses etc.	7,000	8,000
Non-operating income	21,000	24,000
	28,000	32,000
	167,000	198,500

The new Ontario corporation tax exempts capital employed in the mining and the bringing of ore to the surface, but assesses capital invested in metallurgical plants for its treatment. For example; a mill, capable of treating 1,000 tons of gold ore daily and costing $1,000,000 to construct, would be assessed on this amount and taxed at the rate of one-tenth of one per cent, or $1,000 annually. The present Ontario mine tax, considered from a practical basis, is fair and just, but makes no provision for properties which struggle along year after year at a loss before finally establishing themselves on a profitable basis. Immediately a profit in excess of $10,000 in any one year is made, the mine becomes liable for tax. No retroactive features apply, and in effect a tax is made on an unprofitable undertaking. For example: should the Barry-Hollinger Gold Mines, which has been operating at a loss for several years, make a profit this year in excess of $10,000, the mining tax would apply. Thus, if after this year operations cease, the company would be in a position of having paid a profit tax while actually carrying on operations at a loss.

Legislation has been passed, but not yet enacted, whereby the non-operating income of mines, that is income from investments or sources not directly attributable to mining, will be liable for tax in the municipality in which the mine is located. Heretofore non-operating earnings have been taxable at the point where the head office of the company is located. This change makes for increased taxes since the tax rate in municipalities in which the mines are located is usually much higher than the average municipal tax elsewhere.

High Cost of Gold

G. R. Mickle, mine assessor for the province of Ontario, said in a paper read before a Canadian tax conference, that the estimated cost

(Continued on page 17)

VIPOND REACHES INTERESTING POINT IN LONG CAREER

Has Produced Nearly $6,000,000 in Gold Since 1911

BUT DIVIDENDS FEW

Property Has Paid $67,500 in Dividends to Date —New Work Goes On

Vipond Consolidated Mines operates a producing gold property near Timmins which, since the commencement of operations in 1911, to the end of 1930, produced $5,730,579 in gold bullion and paid $67,500 in dividends in 1927. The company is controlled by the Huronion Mining and Finance Co.

The property consists of approximately 320 acres in Deloro township, joining the Hollinger Mine on the south. It is equipped with a 300-ton daily capacity mill, which is in steady production.

The property has reached one of the most interesting stages in the history of its development. Production to date has been from above the 1,000-ft. level, but this year the shaft was deepened to 1,450 ft.

Work in Porcupine Crown

Recent exploratory work has been in connection with the adjoining Porcupine Crown mine, owned by Vipond. This has been unwatered and connections made with the workings at the 1,000-ft. level, and another crosscut at this level is being extended through the Crown porphyry to the western contact. At the 1,450-ft. level one crosscut is being driven westerly to reach the eastern contact of the porphyry, and to explore for the downward continuation of the Crown vein, and another crosscut is being driven easterly to explore for the downward continuation of No. 9 vein but neither of these workings have yet reached what are considered the favorable zones.

At the end of last fiscal year, July 31, 1930, the ore reserves stood at the highest since 1927, 153,525 tons assaying $8.23 per ton.

The authorized capitalization of the company is $2,500,000 in $1 par value shares of which $2,250,000 are outstanding.

The following tabulation gives production costs recovery and financial statements:

BALANCE SHEET AS AT JULY 31

Assets	1930 $	1929 $	1928 $
Current:			
Cash	4,177	53,475	76,301
Loans	510,800	......	......
Prov. & Rly. bonds	‡182,439	*537,584	298,019
Bullion ..	80,748	57,852	33,496
Accts. & int. rec.	2,865	6,830	3,732
Supplies	22,244	30,226	23,606
	803,273	685,967	435,154
Deferred:			
Ins. & other	12,211	13,929	6,468
Devel. exp.	......	†11,411	......
Sundry ..	......	......	......
Shs. at cost	381,919	117,540	102,540
Fixed:			
Min. prop.	1,645,592	1,645,592	1,645,592
Plant & equip. ..	492,544	474,245	455,579
	3,335,539	2,948,684	2,645,353
Liabilities			
Current:			
Accts. & wages pay.	46,996	37,803	28,637
Accrued charges	10,299	6,942	5,960
	57,295	44,745	34,597
Reserves:			
Deprec. .	343,302	279,312	218,122
Inc. & prod. taxes	24,735	16,787	7,594
Capital stock:			
Com. ...	2,250,000	2,250,000	2,250,000
Surplus ..	660,207	357,840	135,020
	3,335,539	2,948,684	2,645,333

† Expenditures on outside properties.
‡ Market value $180,000.

WORKING CAPITAL

	1930	1929	1928
Curr. assets	803,273	685,967	435,154
Curr. liabs.	57,295	44,745	34,597
Work. cap.	745,978	641,222	400,557

Income and Surplus Account
Years Ended July 31

	1930 $	1929 $	1928 $
Oper. inc.	896,397	797,113	646,896
Less oper. exp.:			
Devel. ..	89,179	107,124	92,870
Mining ..	226,818	196,774	178,382
Milling .	135,441	121,132	109,757
Shipping & market .	6,396	5,201	5,113
Gen. camp maint.	10,888	12,223	8,240
Admin. & gen. exp.	20,318	20,656	22,143
Admin. & gen. exp. (Tor. office)	12,909	7,962	7,255
Trans., l. & dir. fees	13,500	17,732	21,316
Insur. ..	19,742	20,350	19,770
Prov. & mun. taxes	8,606	8,387	6,749
Oper. earn.	352,600	279,572	175,301
Add non-oper. rev.:			
Int. earn.	29,333	20,972	10,629
For. exch.	4,041	......	......
Total n. earn.	385,974	300,544	185,930
Less res. & w.-offs:			
Devel. red.	......	......	42,508
Exam. outside props. w/o	3,488	6,419	......
Loss on bds.	1,835	......	......
Deprec. .	63,990	61,191	61,092
Res. for tax	14,294	10,168	4,580
Net profit	302,367	222,766	77,750
Surp. for yr.	302,367	222,766	77,750
Prev. surp.	357,840	135,020	57,270
Adjust. ..	......	54	......
Bal. car. for.	660,207	357,840	135,020
Earn. per Share and Div. Record:			
Com.: Earn.	$0.134	$0.099	$0.035
None paid.			

Production Costs per Ton of Ore
Years Ended July 31

	1930	1929	1928
Devel. & explor.	$0.79	$1.07	$1.07
Mining	2.00	1.96	2.06
Milling	1.19	1.20	1.26
Marketing & taxes ..	0.14	0.13	0.13
Gen. exp. & admin. ..	0.68	0.79	0.92
Total oper. costs	4.80	5.25	5.44
Deprec. & w/o	0.74	0.77	1.25
Total costs per ton ..	5.54	6.02	6.69
Recovery per ton	7.91	7.98	7.46

Outlook For Vipond

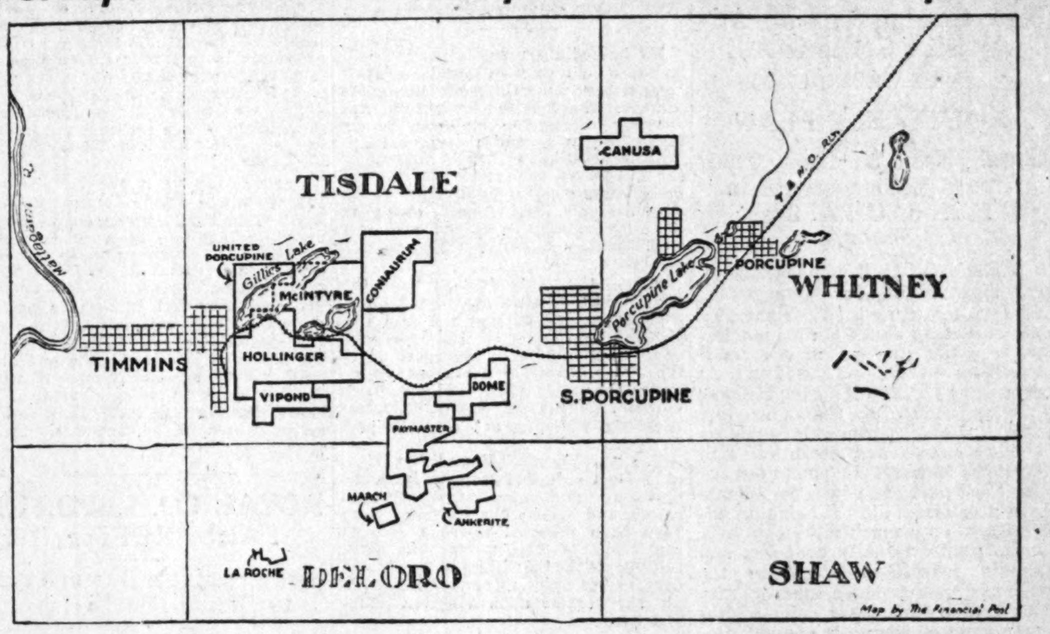
The company's property is responding to development in a satisfactory way. It is yet a relatively young mine, production not having been taken from below the 1,000-ft. level. The recent sinking of the shaft to the 1,450-ft. horizon and the further exploration of the adjoining Porcupine Crown section offers possibilities of considerable magnitude. Earnings have been sufficient to pay all expenses and carry on the development work. The company's surplus has been invested in treasury stock of the parent company, The Huronian Mining & Finance Co.

Price Range:	High	Low	Last
1930	1.42	.60	....
1931*	1.22	.70	.75

Listed: Standard; Toronto Ex.; London. Eng. Ex.

*To July 11.

Porcupine Mines and Properties Under Development



The producing properties include Hollinger, McIntyre, Dome, Vipond, Coniaurum, and March Gold. The near producers include Hayden, and Canusa, while Paymaster, Ankerite and Porcupine United plan re-opening.

World's Best Mill, Boast of McIntyre; Is Being Tuned Up

After Twenty Years of Production, Mine Plant Moves

TO REDUCE COSTS

New 2,000 Ton Mill Will Cut Costs 60c a Ton is Current Expectation

McIntyre Porcupine Mines, after a record of 20 years as a profitable producer on the south side of Pearl Lake adjoining Hollinger, is this summer transferring its surface operations to the north side of Pearl Lake, where it is completing what is regarded as the finest gold mill in the world. Since commencement of operations in 1912 to the end of the company's last fiscal year, March 31, 1931, it has produced gold bullion to the value of $46,089,090, and has paid in dividends in the same time $9,467,267.

The company is directed by and most of the stock is held by Canadians.

Half Mine Explored

The property, aggregating approximately 700 acres, joins the Hollinger Consolidated Gold Mines on the north and is a consolidation of a number of properties. Several shafts have been sunk on the property but production operations are confined to a new five compartment shaft known as No. 11, located in about the centre of the property and sunk to a depth of 4,150 ft. Less than one-half the property has been explored and this to a maximum depth of 3,875 ft. This year the Platt Veteran, claim located in the extreme south-east section of the property was subjected to initial exploration with gratifying results.

On March 31, 1931, ore reserves were estimated at 2,502,465 tons averaging $8 per ton, having a total value of $20,480,964. These ore reserves do not give a correct representation of the potentialities of the property as development is not carried beyond economic limits. Furthermore officials have stated it is their belief that the ore continues to the lowest mineable depth.

Tune Up New Mill

Having reached the economic limits of its old mill, which had been gradually increased to a capacity of 1,500 tons daily, a new 2,000 daily capacity concentrator and cyanide mill, and associated camp buildings were constructed adjacent to the No. 11 shaft. This new mill is now being tuned up and is expected to reach its full rated capacity by August 1, 1931.

This new mill incorporates the latest metallurgical features which are expected to reduce operating costs by around 60 cents per ton, and to permit of the profitable treatment of ore formerly regarded as below milling grade.

Dividends of $1 per share are payable 25 cents quarterly on March, June, September and December 1.

The authorized capitalization of the company is $4,000,000, in $5 par value shares, of which $3,990,000 or 798,000 shares are outstanding.

The following tabulation gives

(Continued on page 17)

Timmins No Mecca For Unemployed

Timmins is no mecca for the unemployed. Porcupine mines know no season and provide steady employment for the workers of the area. This steady employment makes Timmins one of the most prosperous towns in the Dominion.

While the town is in a thriving position owing to this steady employment, there are now few opportunities to outsiders seeking employment.

Those seeking employment will find the town without facilities for providing for their protection.

LONGER LIFE IS FORECAST FOR DOME M.

Has Been Continuous Gold Producer Since 1910

INVESTS IN RAND

Good Yield Given by Stock and Liquid Position is Reported as Strong

Dome Mines has been a continuous gold producer since 1910, having produced gold bullion to the total value of $47,375,321 to December 31, 1930, and paid in the same time dividends totalling $14,789,176, including $476,667 as return of capital in 1922. It is controlled principally by New York interests.

Following the destruction of the company's mill late in 1929 operations at the property were confined to a gold clean-up from the débris, development work underground continuing. Late in October, 1930, the new mill was placed in operation.

The company's property consists of 438 acres in Tisdale Township about five miles from Timmins, Ont. It is served by a spur from the T. & N. O. Railway.

Life is Extended

The property has been developed principally through No. 3, a four-compartment main production shaft, which has been sunk to a depth of 2,875 ft. with levels established at 125-ft. intervals. In 1927 the property was apparently nearing completion from the productive area in sediments, but development in the greenstone area north of the sedimentary base has extended the life of the property.

The ore reserves as at December 31, 1930, were shown at 1,900,000 tons, nearly four years supply, but this does not correctly reflect the life of the property as at no time in the past several years were large ore reserves reported. Development work is not carried beyond that dictated by sound economic practice.

The new mill is of the same capacity as the old one, 1,500 tons per day, operated by electric power supplied by Canada Northern Power Corp.

Invest in South Africa

In addition to its production revenue the company has liquid assets of approximately $5 per share, a portion of which was recently invested in the East Geduld Mines of South Africa. This property has an estimated life of 20 t

(Continued on page 17)

TIMMINS
ONTARIO

One of the Principal Mining and Distributing Centres of NORTHERN ONTARIO

TIMMINS is the largest and most modern gold mining town in Canada. It dominates the famous Porcupine Gold Area. Only 458 miles north of Toronto—a 20-hour pullman ride.

Everywhere is apparent the evidences of solid, ordered growth, sound progress, stability and permanence.

A modern, well-equipped hospital, a fine waterworks system, a fire protective organization, public and separate schools, technical and high schools of modern fireproof construction, together with a business and fine residential section that would do credit to much larger centres.

Paved streets, good plumbing, electric lighting and power provide the nucleus for a future growth that is inevitable.

Interesting Facts About Timmins

Funded Debt

Timmins has a total debenture debt of $1,111,612. Of this $545,317 is for schools and is guaranteed by the Provincial Government.

Local improvement debt amounts to $287,258, of which $165,320 is owner's share and $121,938 the town's share. The only public utility owned by the town is the waterworks system, which is being run at a profit over and above all charges.

Financial Stability

Timmins bonds rank high in issues of their class. There was a surplus during 1930. Bank loans were reduced from $243,500 to $180,000.

Population

With a population of 13,367, the town has an assessed value of $7,078,289, excluding all exemptions. It has 227 business places, and five banks. A number of prominent industrial companies and wholesale houses maintain branches in the town.

Strategic Location

The famous Hollinger Gold Mine is within the town limits. Within a radius of six miles are the producing properties of Dome, McIntyre, Porcupine, Vipond and Coniaurum. Only 100 miles south is Sudbury, the world-famous nickel-producing centre.

For complete information, write E. E. Montgomery, Town Clerk.

For complete information, write:— E. E. Montgomery, Town Clerk

ANKERITE GROUP LOOK FOR FUNDS TO FURTHER WORK

Merger of Property With March Gold is Discussed

Ankerite Gold Mines Syndicate is controlled by a Buffalo group, which optioned the assets of the Ankerite Gold Mines that went into liquidation in 1930. The syndicate is now financing preparatory to resuming production.

The property consists of three claims in Deloro Township about two miles south of Dome Mines, which has been developed to a depth of 600 ft. In 1926 a 250-ton cyanide mill was erected, operated by electric power.

The following is a statement of recovery made by the former owners:

Year	Tons milled	Average recov. $	Value bullion $
1926	23,060	6.10	150,588
1927	69,863	5.14	359,005
1928	66,606	4.34	289,960
1929	12,912	5.50	71,684
1930	......	....	461

Outlook For Anchorite

Although previous operating costs were high and recoveries low, the immediate cause of failure was the liquidation proceedings in connection with the English parent company, the Porcupine Gold Fields Development Finance Co. Success for the present syndicate rests in its ability to treat the ore now partly developed at a profit, while continuing an exploration programme for more and better ore. Recoveries throughout 1929 averaged $5.55 per ton and it is understood the broken and partially blocked out ore remaining in the mines is of about like grade, this present ore the owners hope will enable them to carry on a profitable operation while developing more ore.

Negotiations are under way by the present owners, which are interlocked with those of March Gold, whereby a consolidation of the properties may be brought about.

LONG LIFE IS FORECAST FOR DOME M

(Continued from page 16)

30 years and will start production operations this month.

Present dividends are $1 per year, payable 25 cents quarterly on January, April, July and October 20.

The authorized capitalization is 1,000,000 shares of no par value of which 953,334 are in the hands of the public.

The following comparative tabulation shows production, recovery, costs and financial statement:

Balance Sheet

Assets	1930	1929	1928
Current:			
Cash	332,139	311,192	222,255
Bullion	68,346	98,027	119,408
Accts. rec.	81,494	86,405	73,527
Int. rec.	81,494	86,405	73,527
Govt., rly. & oth. bds. at cost	*2,130,810	3,370,864	2,290,526
Call loans	......	500,000	250,000
Supplies	189,535	171,631	234,786
Divd. assur. fund:			
Cash	284	57,946	13,768
Call loans	......	550,000	......
Govt., rly. & oth. bds. at cost	†2,785,143	2,031,387	2,473,375
Curr. total	5,591,746	7,180,867	5,693,068
Def. chgs.	8,956	12,510	24,339
Fixed:			
Min. claims & prop.	3,486,593	‡2,174,260	2,976,732
Plant & equip.	2,803,339	3,486,593	3,486,593
	11,890,634	12,854,230	12,180,732
Liabilities			
Current:			
Accts. pay.	109,080	39,794	63,754
Sal. & wages accr.	58,430	46,458	60,743
Accr. tax.	38,150	128,703	137,352
Divds. pay.	238,334	238,334	238,334
Unclaim. div. & cap. repayment	39,505	37,639	39,832
	478,499	490,928	540,015
Reserves:			
Depr., plt. & equip.	2,094,589	2,098,198	2,233,732
Oper. equal.	31,244	31,244	31,244
Amort. of prem. on bonds	2,329	15,984	13,136
Exp. of fire wreckage	......	45,754	......
Capital:			
Common	7,000,000	7,000,000	7,000,000
Surplus	2,282,973	3,172,172	2,362,605
	11,890,634	12,854,230	12,180,732
Conting. liab.	$20,000		
Working Capital			
Curr. assets	5,591,746	7,180,867	5,693,068
Curr. liabs.	478,499	490,928	540,015
Work. cap.	5,113,247	6,689,939	5,153,053

*Market value as at December 31, 1930, $2,053,900.

†Market value as at December 31, 1930, $2,756,800.

‡Less mill destroyed by fire.

Income and Surplus Account
Years Ended December 31

	1930 $	1929 $	1928 $
Bullion	775,266	3,590,189	3,914,883
Less op. exp.:			
Ore salvag. costs	15,803	......	......
Mining	290,177	665,783	805,964
Devel. & explor.	359,914	611,829	506,008
Crush. & convey.	19,917	68,825	79,004
Milling	88,669	420,198	470,586
Ad. & gen. exp.	133,082	174,640	159,815
Insurance	18,814	28,205	25,107
Taxes	27,112	58,997	60,633
Oper. earn.	*178,222	1,561,717	1,803,766
Add non-op. revenue:			
Disc. earn.	1,696	1,155	986
Miscel.	35,559	21,924	14,564
Bond int.	265,601	228,381	208,557
Bk. & misc. int.	21,261	69,711	6,243
Net earn.	145,895	1,882,888	2,034,116
Less:			
Res. for inc. taxes	28,000	89,458	94,895
Res. for depr.	32,185	15,179	445,340
Adjust.	......	......	23,044
Net profits	85,710	1,778,251	1,470,837
Less divds.	953,334	953,334	953,334
Surp for yr.	*867,624	824,917	517,503
Prev. surp.	3,172,172	2,362,605	2,860,432
	2,304,548	3,187,522	2,337,935
Less:			
Bonus to employees	20,575	15,350	15,330
Bal. for'd.	2,283,973	3,172,172	2,362,605

*Deficit.

Earn. per Share and Divid. Record:

	1930	1929	1928
Earn. per sh.	0.090	1.865	1.542
Divds. paid	1.00	1.00	1.00

Production Costs Per Ton of Ore
Years Ended December 31

	*1930 $	1929 $	1928 $
Develop. & explor.	...	1.35	.92
Mining	...	1.47	1.47
Milling	...	1.08	1.01
Taxes	...	.33	.27
Gen. & admin. exp.	...	.45	.35
Total oper. exp.	4.12	4.68	4.02
Deprec. & write-offs	...	.03	.86
Total cost per ton	...	4.71	4.88
Recovery per ton	5.89	7.58	7.14
Profit per ton	1.77	2.87	2.26

*New mill in operation in December and November only.

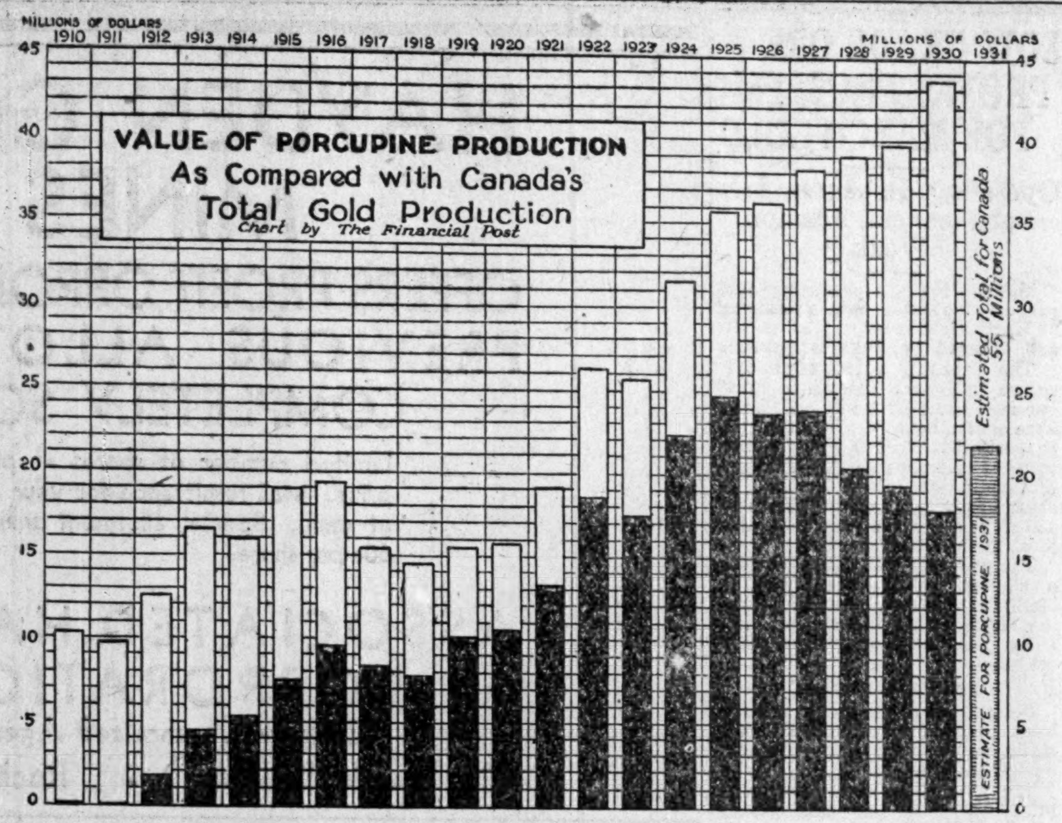
The outlook for earnings comparable to those in 1929 is most bright. Non-operating revenue last year amounted to approximately 34 cents a share and in the current year is expected to be close to the same figure despite capital expenditures involved by the new mill. Return from the company's investment in the East Geduld Mines is estimated at from 10 to 14 cents per share. The strong liquid position of the company, the possibilities of increased earnings, and the fact that it controls a well managed property, apparently with years of life ahead, lends attraction to investment, considering the current yield.

Price Range:	High	Low	Last
1930	10.20	7.00	....
1931*	13.40	9.00	11.75

*To July 11.

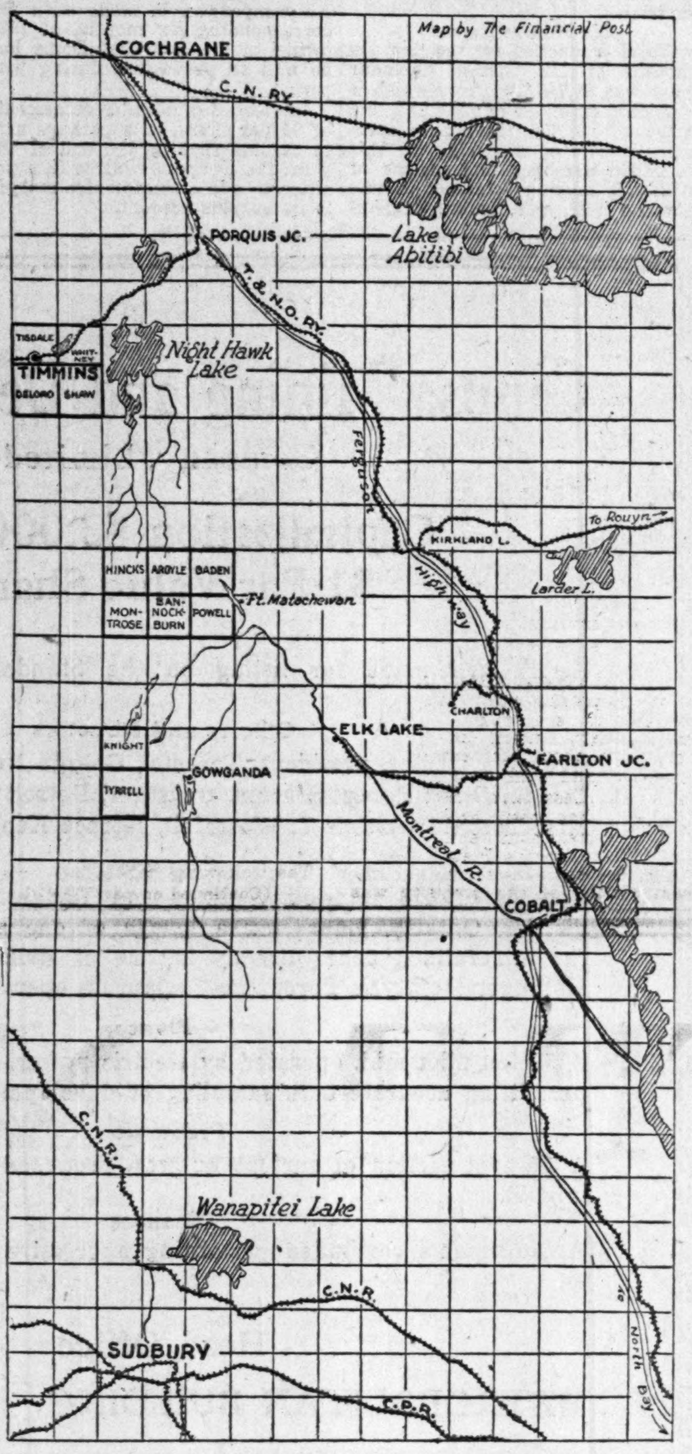
Dividend Rate: $1; **Yield:** 8.51%.

Listed: Standard; Toronto Ex.; Montreal Curb; New York Ex.



Production in Porcupine started in 1910 and until this year it has been the greatest gold producer in Canada. This year Kirkland Lake took the lead, but the tonnage of ore treated from Porcupine remains greater. The destruction of the Dome mill caused a decline in production last year.

Timmins Geographical Location



If the northern route is selected for the Trans-Canada Highway connecting with the Ferguson Highway, it will provide a western outlet to the district badly required. A new road connecting Timmins and Elk Lake would open the Matachewan area and provide a shorter route south.

Mining Men Want Timmins on Trans-Canada Highway; Oppose L. Superior Route

The selection of routes for the Trans-Canada Highway is of great importance to Timmins, connected as it is with the Ferguson Provincial Highway by a good branch road from Porquis Junction, on the main line of the T. & N. O. Railway. The selection of routes is a subject of great difference of opinion, but having regard for the Ferguson Highway already constructed between North Bay and Cochrane, a westward route from that point is regarded by the northern mining camps as the logical one to best serve the interests of all.

Recently a deputation waited on Hon. George S. Henry, premier of Ontario, recommending that a road be built from Sault Ste. Marie to White River and then on through to Nipigon. The resolution also called for a road to be built between Hearst, through Hornepayne to White River. For every mile of road built between White River and Sault Ste. Marie there is to be equal mileage between Hearst and White River. A road was also asked from the above route to Chapleau. While there is a great divergence of opinion as to the proper location of the proposed Trans-Canada highway any route except that from Cochrane west would make it necessary for Timmins citizens to travel to North Bay, a distance of approximately 225 miles, before they could start a westward journey.

Brigham Suggests Route

A route sponsored by A. F. Brigham of Hollinger mine, and one that carries a great deal of merit, is a projection of a road from Timmins to Sudbury. Such a route has the advantage that it will open up virgin territory for prospecting and would make a short route to Sudbury, without materially altering the distance to Toronto. From Sudbury access westward would be possible if the north shore route from Sault Ste. Marie to Port Arthur was followed. The objection voiced against the north shore route by Timmins, Cochrane and the northern areas are, that it is expensive to build and would permit American tourists to leave Canada without travelling great distances within its borders.

A route under discussion, that would shorten travel from Timmins to North Bay and southward, is to improve over the present road southward from Connaught Station between Timmins and Porquis Junction. Then south east to connect up with the road from Elk Lake now being extended to the heart of the Matachewan mining operations in Argyle and Bannockburn townships. Such a route would not involve any great mileage and would open up an area north of Matachewan and render it accessible from Timmins, at the same time providing shorter outlets southward for Timmins' residents.

WORLD'S BEST MILL, BOAST OF McINTYRE, IS BEING TUNED UP

(Continued from page 16)

recovery, production costs and comparative financial statements:

Comparative Balance Sheet
As at March 31

Assets	1931 $	1930 $	1929 $
Current:			
Cash	36,178	183,371	2,773
Bullion	243,332	188,618	191,125
Call loan	......	700,000	......
Special deposit	......	......	1,300,000
Bonds	......	......	1,240,875
Marketable secs.	2,829,215	2,331,378	......
Accts. rec.	1,215	4,128	14,032
Int. rec.	21,306	24,768	24,612
Supplies at cost	333,262	270,770	257,198
	3,464,508	3,654,033	3,030,615
Investments:			
Blue Diamond & Can. Coal Fields, Ltd.	854,992	853,492	354,992
McIntyre Mer. Co.	1	1	......
Adv. to subs.	......	......	590,000
Oth. invest.	......	......	35,001
Def. charges:			
Devel. outside prop. undistrib.	......	......	79,900
Prepay.	34,338	30,634	24,287
Fixed:			
Min. prop.	4,196,445	4,194,340	4,194,339
Plant & equip.	4,963,715	3,690,070	3,550,987
	13,523,999	12,422,570	11,860,121
Liabilities			
Current:			
Payrolls payable	84,525	65,432	59,963
Acts. pay.	231,593	47,144	102,603
Taxes	226,493	176,817	158,734
Sundry liab.	30,341	25,718	15,929
	572,952	315,111	337,229
Reserves:			
General	400,000	400,000	400,000
Deprec.	3,907,424	3,559,319	3,323,356
Cap. stock	3,990,000	3,990,000	3,990,000
Surplus	4,653,623	4,158,140	3,809,536
	13,523,999	12,422,570	11,860,121
Working Capital			
Curr. assets	3,464,508	3,654,033	3,030,615
Curr. liabs.	572,952	315,111	337,229
Work. cap.	2,891,556	3,338,922	2,693,386

Income and Surplus Account
Years Ended Mar. 31

	1931 $	1930 $	1929 $
Oper. inc.	4,683,323	4,457,001	4,212,625
Less oper. exp.:			
Min. & dev.	1,794,594	1,716,516	1,626,125
Crush. & coney.	98,463	83,717	73,483
Milling	419,119	380,391	372,348
Misc. camp costs	45,185	49,421	64,337
Mine & gen. exp.	76,335	97,636	83,805
Admin. & gen. exp.	90,173	81,874	81,225
Stock trans.	5,694	6,767	8,128
Insurance	17,712	14,842	15,462
Oper. earn.	2,086,048	2,025,837	1,887,712
Add non-oper. revenue:			
Int. & disc.	139,812	148,679	125,866
Miscel.	66,684	19,981	5,390
Total net earnings	2,292,544	2,194,497	2,018,468
Less:			
Taxes	158,168	122,198	115,154
Workmen's comp.	37,833	......	25,949
Deprec.	355,570	258,805	355,099
Devel. w/o	33,437	157,888	230,960
Devel. outside props.	8,849	96,614	......
Tailings w.o.	......	......	......
Gen. res.§.	400,000	400,000	251,013
Sundry oper. adj. dr.	5,203	12,889	......
Sundry oper. adj. cr.	......	......	3,688
Net profit	‡1,293,484	‡1,146,603	‡1,043,981
Less Approp.:			
Divds.	798,000	798,000	798,000
Surp. for yr.	495,484	348,603	245,981
Prev. surp.	4,158,139	3,809,536	3,563,555
Bal. for'd.	4,653,623	4,158,139	3,809,536

‡After setting up general reserve.

§Represents funds set aside but unapportioned for any specific purpose as at the end of the fiscal year. The policy of the company is to apply these funds as they see fit in the following fiscal year in the writing down of accounts.

Earn. per Share and Divid. Decord:

	1931	1930	1929
Earned	$1.62	*$1.44	*$1.31
Paid	1.00	1.00	1.00

*After setting up general reserve.

Production Costs Per Ton of Ore
Years Ended Mar. 31

	1931 $	1930 $	1929 $
Develop. & explor.	0.91	0.85	0.80
Mining	2.30	2.27	2.22
Milling	1.01	.93	.93
Taxes	.28	.22	.22
Gen. & admin. exp.	.41	.37	.37
Total oper. costs	4.91	4.64	4.54
Deprec. & write-offs	1.44	1.66	1.60
Total costs per ton	6.35	6.30	6.14
Recovery per ton	8.30	8.05	7.83
Profit per ton	1.95	1.75	1.69

Outlook For McIntyre

Earnings for the last fiscal year were $1.62 per share after liberal write-offs and provision for general reserves, as against dividend requirements of $1, increased production facilities, and lower costs indicate increased earnings to approximately $1.90 per share for the current fiscal year and around $2.25 per share for the next fiscal year, when full benefit from the expansion programme will be reflected.

Price Range:	High	Low	Last
1930	19.80	15.00	....
1931*	26.50	20.00	21.85

*To July 11.

Dividend Rate: $1; **Yield:** 4.57%.

Listed: Standard, Toronto Ex.; Montreal and New York Curbs; Chicago Board of Trade.

PAYMASTER MINES CONTINUES WORK OF EXPLORATION

New Policy is No Production Until Ore Proved

Paymaster Consolidated Mines is a consolidation of the United Mineral Lands Corp. and the West Dome Lake Gold Mines, both former producers, and of several undeveloped intervening claims. Financing has just been announced, which will permit of the resuming of exploration of these properties with a view to again putting them on a production basis.

No production is planned to be taken until development work has correlated the operations on the adjoining property, and a systematic development programme will have indicated at least two years of ore for present mill capacity.

Has Lifted $1,500,000

The company's property totals approximately 2,000 acres in Tisdale township adjoining the Dome Mines on the west and southwest. Former operators during the past 15 years have sunk a total of seven shafts on the properties, the deepest level being at a depth of 1,325 ft. A total of 45,940 ft. of lateral work and about 60,000 feet of diamond drilling has been done. Production since 1915 has amounted to approximately $1,500,000 in gold bullion from the various properties involved in the consolidation.

There are two complete camps and mills on the company's property. On the former West Dome Lake Gold Mines is a cyanide mill of 150 tons daily capacity, while on the United Mineral Lands Corp. property is a cyanide mill of 1,000 tons daily capacity, both operated by electric power.

The authorized capitalization of the company is $9,000,000 in $1 par values shares of which $4,000,000 have been issued to shareholders in the respective companies involved in the consolidation.

Financing just announced will, if and when completed, provide sufficient funds to complete the development programme outlined.

Outlook For Paymaster

The low recovery and high operating costs, which defeated the profitable operation of former undertakings, will doubtless be greatly improved by the consolidation. The company proposes to follow the policy of directing its attention to the exploration of favorable areas and proving up a definite quantity of profitable ore before resuming production. The future of the company rests with the success met with in this programme. Geological conditions are such that a well-financed and well-directed campaign may reward the efforts and prove the possibilities of the property.

Rising Burden of Taxes Seen as Threat to Mining

(Continued from page 16)

of producing a dollar's worth of gold, including the expenditure on non-profit making and non-producing mines and claims, is between 80 and 90 cents. The result is that the profit on gold mining on the whole is small. Current taxes levied amount to approximately 22 per cent of the profit accruing from all gold mining and exploration operations. That is, deducting the cost of unprofitable operations from the profits of the successful ones, the tax on the net profits of the industry as a whole is approximately 22 per cent.

World attention is focussed on the producing of more gold, as relief from the present economic depression.

Having regard for the hazardous nature of prospecting for and mining gold, the incentive must be kept attractive. It is the knowledge of the possibilities of rich rewards in store when a real find is made that inspires its pusuit. Any tax that dims the lure for the exploration of or production of gold would have disastrous results to producers and governments alike, as it would have the effect of reducing a source of tax.

Plans are being discussed by world authorities on ways and means of increasing gold production. The bonusing of prospectors for gold; also bonusing low-grade gold mines, has been suggested.

In the face of this clamor at the present time for more gold, it is difficult to understand governments imposing any tax adversely affecting the industry.

Is Burden of Mining

The financial committee of the League of Nations said: "It is well known that the Witwatersrand gold area in South Africa, as a whole, is essentially a low-grade proposition. It is equally well known that every six pence increase in cost per ton of ore milled represents a reduction of many thousands of tons of ore in the total tonnage available for extraction."

As any rise in the cost of production of gold cannot be added to the sale price of the product, it means many tons of lower grade ore must remain untreated. Such a condition means restricted expansion, restricted production of gold and restricted profits for the producers and restricted taxes on these profits for the governments.

GIVEN FINANCES, PORCUPINE UNITED HAS GOOD CHANCE

Attempt Being Made to Refill Depleted Treasury

Porcupine United Gold Mines was incorporated in 1928 as a consolidation of the Canadel Gold, Rochester Consolidated Mines and Canadian Gold Mines Corporation. Its president is Bernard N. Hyman of Buffalo. Operations were suspended early this year owing to insufficient funds.

The company owns approximately 52 mining claims in the Porcupine area but operations have been centred on what is known as the Rochester property adjoining the town of Timmins. Here a shaft has been sunk to the 1,000-ft. horizon and levels established at intervals of 125 ft. Altogether approximately a mile of the lateral work has been done underground. A 25-ton pilot mill operated in 1929 and 1930 and a recovery of $101,197 was made. In 1930 productions amounted to 7,815 tons with a recovery of $56,813, or an average of $7.28 per ton. Since the mill was designed for bulk sampling of ore rather than for production, it was not sufficient to provide funds for exploration, and has been partially dismantled.

The company has an authorized capitalization of $3,500,000 in $1 par value shares.

Finances are being arranged for, which will pay off immediate obligations of the company and permit of the resumption of development. It is planned to carry out an extensive exploration programme on the northern section of the property, also to develop a rich ore shoot exposed on the 500-ft. level. Success in the future first depends upon sufficient finances being made available to carry out a definite exploration programme.

McIntyre Porcupine Mines, Limited

(No Personal Liability)
(Incorporated March 16, 1911, under the Laws of the Province of Ontario)

CAPITAL STOCK

Authorized: 800,000 shares, par value $5.00 .... $4,000,000
Issued: 798,000 shares, par value $5.00 3,990,000

LOCATION OF HEAD OFFICE, MINES AND PLANT
Schumacher, Ontario

EXECUTIVE OFFICES
15 King St. W., Toronto

DIRECTORS AND OFFICERS

J. P. Bickell .... *President* .... Toronto, Ont.
W. J. Sheppard .... *Vice-president* .... Waubaushene, Ont.
Strachan Johnston .... Toronto, Ont.
J. B. Tudhope .... *Director* .... Orillia, Ont.
D. H. McDougall ..... *Director* .... Stellarton, N.S.
M. P. Van der Voort .... *Secretary*
Balmer Neilly .... *Treasurer*

AUDITORS
Gunn, Roberts and Company
Chartered Accountants
Toronto

GENERAL MANAGER
R. J. Ennis .... Schumacher, Ontario

PRODUCTION SINCE THE COMMENCEMENT OF MILLING OPERATIONS IN 1912

Date	Period	Tons Milled	Value per ton	Gross Value	Recovery per ton	Total Value
1912	12 months	14,500	7.00	101,555.16	5.25	76,166.38
1913	12 months	31,979	7.85	251,314.45	7.05	225,752.25
Jan. 1/14 to Mar. 31/15	15 months	85,654	8.87	760,232.16	8.39	718,331.71
Apr. 1/15 to Mar. 31/16	12 months	105,758	7.71	815,345.49	7.38	779,990.94
Apr. 1/16 to June 30/17	15 months	195,307	10.00	1,954,792.28	9.55	1,864,914.28
July 1/17 to June 30/18	12 months	178,327	10.05	1,793,197.55	9.61	1,714,258.00
July 1/18 to June 30/19	12 months	179,874	9.78	1,759,627.40	9.29	1,671,646.03
July 1/19 to June 30/20	12 months	188,835	11.52	2,175,891.31	11.02	2,080,178.44
July 1/20 to June 30/21	12 months	171,916	11.67	2,005,672.00	11.08	1,904,326.36
July 1/21 to June 30/22	12 months	193,971	10.69	2,074,088.40	9.99	1,937,105.07
July 1/22 to June 30/23	12 months	240,615	9.96	2,397,303.00	9.35	2,249,741.63
July 1/23 to June 30/24	12 months	360,140	9.69	3,488,863.00	9.14	3,291,178.22
July 1/24 to June 30/25	12 months	400,259	9.43	3,774,068.00	8.86	3,546,637.52
July 1/25 to June 30/26	12 months	460,909	8.72	4,020,326.00	8.25	3,804,774.90
July 1/26 to Mar. 31/27	9 months	385,409	8.08	3,113,500.07	7.67	2,957,060.97
Apr. 1/27 to Mar. 31/28	12 months	520,460	8.09	4,207,553.00	7.66	3,987,634.94
Apr. 1/28 to Mar. 31/29	12 months	538,165	8.24	4,433,378.00	7.83	4,212,624.82
Apr. 1/29 to Mar. 31/30	12 months	550,495	8.46	4,657,188.00	8.05	4,433,626.45
Apr. 1/30 to Mar. 31/30	12 months	558,115	8.84	4,934,122.00	8.30	4,633,140.73
		5,360,688	9.09	$48,718,018.27	8.60	$46,089,089.64

WORK PROGRESSES ALONG TWO VEINS ON HAYDEN GOLD

Company's Treasury Stock Under Option to Build Mill

Hayden Gold Mines was incorporated in 1912 and through additional financing has reached that stage of development where a mill is under consideration.

The company's property consists of approximately 625 acres in Ogden Township, about three miles south of Timmins. Early operators of the property sank a shaft to 719 ft. and established levels at 100-ft. intervals. In 1929 present operators started an intensive development campaign.

Most of the work done during the last 12 months has been on the 400-ft. level and 700-ft. levels. The greater portion has been on the lower horizon, where a long crosscut has been run from the shaft on the northern vein area out to the southern vein system. In addition an extensive programme of diamond drilling has been carried out from the various levels of the northern vein system and, lately, from the drifts and crosscuts of the southern vein system on the 700-ft. level.

Two Ore Systems

The property has two distinct vein and ore systems. Both have an east and west strike, along two approximately parallel porphyry intrusions. The two eruptive dykes are separated by about 700 ft. and are practically vertical. All of the early work of the property was done on the northern vein system. In the southern vein system the surface showings are comparatively small, with the stronger porphyry outcrops to the east. This area has had its first actual development in the last few months.

On the northern system, during the last year a large vein has been developed west of the shaft on the 700-ft. level. It lies along the north contact of the porphyry of that area and shows a width of between 20 to 40 ft. of solid quartz where it has been cut through, with both wide and strong infiltration areas of silica and mineral in the adjoining porphyry on the south and the greenstone schist on the north. Some of the best gold values shown by the drillings into and through this vein have been found in the impregnated porphyry masses along it. This combined area of defined vein and adjoining impregnations gives an actual and potential ore body running from 40 to 60 ft. wide as far as it has been tested. Diamond drilling has shown its extension westward some 700 ft. from the shaft—with no indications of pinching or termination in the most western holes.

Stock is Under Option

The company has an authorized capitalization, of $5,000,000 in $1 par value shares of which approximately $3,625,000 is outstanding.

The unissued treasury stock has been optioned to the Associated Hayden Corp. which has undertaken to finance the company to the production stage and provide funds for a 100-ton mill.

AFTER IDLE YEARS, CANUSA IS GIVEN THOROUGH PROBE

Property, Active in 1911, Now Gets Further Exploration

Canusa Mining and Exploration Co. was incorporated in 1928 to develop one of the first gold properties staked in the Porcupine district.

Although one of the first properties to be staked, it is only in recent months that an active exploration programme has been undertaken. The property originally known as the Scottish-Ontario was financed in Scotland and about £10,000 spent on development. In 1911 following the Porcupine fire the company went into liquidation and remained idle for a number of years. In the fall of 1927 a group leased the property, put in a small clean-up mill and recovered about $25,000 from the rich surface ore. When the present company took over operations in 1928 the shaft was deepened to 300 ft. and exploration started.

Concentrate New Work

The property consists of 440 acres in Whitby Township about five miles from the Hollinger Mines, 200 acres are owned outright and 240 acres held under option. Several parallel veins were disclosed on the surface, running across the property. The most important to be developed was the shaft vein but owing to faulting it was lost, and cross-cutting on the 300-ft. level failed to pick same up again. Early this year an exploratory shaft was sunk on the vein some distance west of the main shaft. Here high-grade values were encountered and the faulting solved.

At the present time, developments are directed in connecting the exploratory shaft with the main shaft, drifting on the vein on the 100-ft. level.

Have 50-Ton Mill

A 50-ton pilot mill is nearing completion on the property to bulk sample the ore, while development work is carried on.

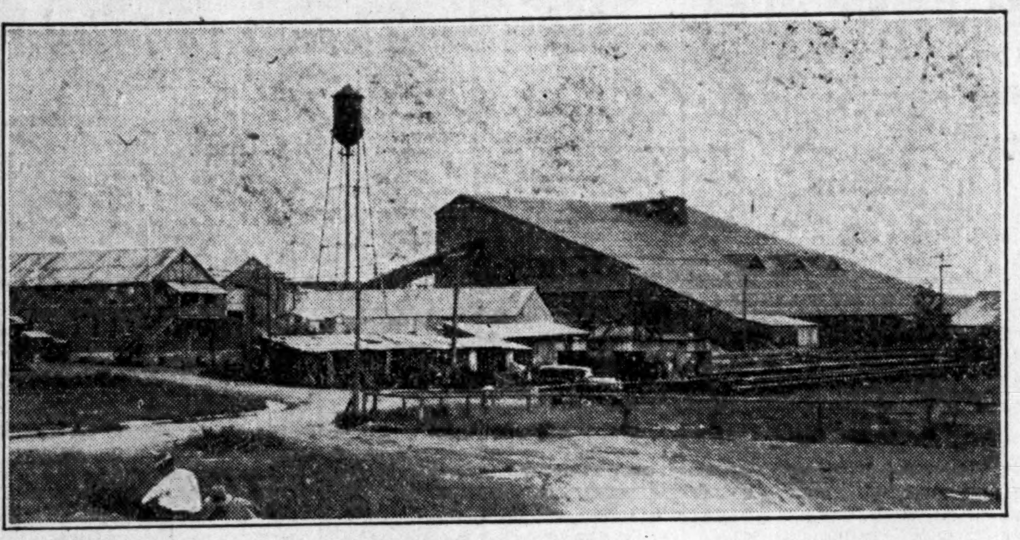
The authorized capitalization of the company is $3,000,000 at $1 par value shares.

The property has some very high-grade showings that cannot very well be ignored. The first requirement is to provide the funds necessary to develop the property to a point where the extent of the ore justifies production on a commercial basis. It has never been adequately explored and indications are that there is ample justification for exploration to continue.

Discuss New Water Supply

The question of piping water from the South Saskatchewan River to Moose Jaw at the present time is receiving the attention of local authorities in both Moose Jaw and Regina. The present proposal is to construct a $9,000,000 pipeline from the southern tributary of the Saskatchewan River to Moose Jaw, which would serve Regina and intermediate municipalities and towns.

Dome's New Mill is Now In Operation



The above 1,500-ton mill was completed and placed into operation last October, replacing the one of like capacity destroyed by fire the year previous.

Hollinger's Study of Lower Geology Is Yet Unfinished

Dr. Graton's Work Has Some Distance To Go

LEADING ORE LIFTER

Mill Continues to Treat More Ore Than Any Other Gold Mine in Canada

Hollinger Consolidated Gold Mines has the distinction of having produced more gold than any other mine in Canada and is currently treating more ore than any other Canadian gold producer, although the net value of its production is exceeded by that of the Lake Shore Mines in the Kirkland Lake district.

The company is controlled by N. A. Timmins and associates in Montreal and the stock is principally held in Canada.

The property has been a continuous producer since 1910 and a continuous dividend-payer since 1912. The total value of its production to the end of 1930 being $159,135,050, while the total dividends distributed were $54,786,400.

Sink to 5,000 Feet

The productive area of the company's holdings is 560 acres adjoining the town of Timmins. It has been developed by numerous shafts to a depth of 4,100 ft. During the current year it is planned to continue sinking to an immediate depth of 5,500 ft.

The property is equipped with an 8,000-ton mill—the largest in Canada—but full capacity has never been made use of. Current capacity is around 4,500 tons daily.

Dr. L. C. Graton, of Harvard University has been making a study of the property and its ore possibilities at depth, for the past two years. This study has been confined largely to fundamental geological features and it is estimated that another year will be required to complete the report.

Four Years In Sight

Ore reserves have been declining for several years, but showed an increase in 1930, when they were estimated at $48,806,685 of an average value of $7.38 per ton. Sufficient for about 4 years supply at current capacity.

In 1929 the company incorporated the International Bond and Shares Corp. to take care of its earned surplus and transferred approximately $11,000,000 in securities to the subsidiary. The value of this investment shrunk approximately one-third last year, owing to the financial depression, according to officials. This investment is a substantial source of income to the company, as well as representing a substantial liquid asset behind the shares of the stock.

Current dividends are 65 cents per share, annually, payable 5 cents every four weeks.

The authorized capitalization is $25,000,000 at $5 par value shares, of which $24,600,000 is outstanding.

Recovery and Costs

The following tabulation shows the production costs, recovery and financial statements:

Working Capital

Curr. assets	2,760,483	2,084,085	10,936,858
Curr. liabs.	777,898	622,613	768,087
Work. cap.	1,982,585	1,461,472	10,168,771

Income and Surplus Acount
Years Ended December 31

	1930 $	1929 $	1928 $
Production	10,263,504	9,433,767	10,712,822
Less op. exp.:			
Min. chgs.	4,850,140	4,425,299	5,044,928
Mill. chgs.	1,033,188	1,016,369	1,326,713
Gen. chgs.	646,572	684,060	814,046
Net. oper. earn.	3,733,604	3,308,039	3,527,135
Add non-oper. earnings:			
Int. on invest.	623,830	733,440	752,146
Profit on secs.	......	......	32,492
Apprec. on invest. ..	......	......	851,253
Prem. on U.S. exch.	15,597	......	......
Total net earnings .	4,373,031	3,041,479	5,163,023
Less reserves:			
Taxes	289,150	324,234	495,069
Plant depr.	3,965	39,331	2,333
Tail. depr..	......	8,416	12,625
Invest. in props. & cos. w/d.	3,868	4,302	4,302
Exp. on prop. aband. w/o	112,320	5,557	33,385
Adjust. ..	......	21,033	......
Net profits	3,963,728	3,638,606	4,615,309
Less approp.:			
Divds. ..	3,444,000	3,198,000	5,412,000
Surp. for yr.	519,728	440,606	*796,691
Prev. surp.	11,110,160	10,669,554	11,466,245
Bal. for'd...	11,629,888	11,110,160	10,669,554

*Deficit.

Earn. per Share and Divids. Paid:

Earned ..	.81	.74	.94
Paid	.65+.05	.65	1.10

Comparative Balance Sheet
As at December 31

Assets	1930 $	1929 $	1928 $
Current:			
Cash	439,523	409,262	389,101
Bullion ..	402,020	389,017	471,790
Accts. rec.	83,052	42,607	74,293
Govt. bonds.	......	......	9,301,135
Int. on invest.	211,424	208,627	154,135
Call loans.	1,167,000	595,000	......
Materials on hand ...	457,464	439,572	546,404
	2,760,483	2,084,085	10,936,858
Deferred:			
Prep. ins..	1,013	1,029	1,343
Sol. on hand ...	103,626	98,315	120,584
Lith., precip., & etc. ...	3,163	5,919	5,173
Investments	11,195,980	11,195,980	2,018,000
Invest. in cos.	48,754	54,076	56,923
Fixed:			
Min. prop.	22,493,785	22,493,785	22,439,785
Plant, less deprec...	1	1	1
Tail. site	1	1	8,417
Kamiskotia expend...	400,980	399,582	396,557
	37,007,786	36,332,773	36,037,641
Liabilities			
Current:			
Wages unpaid	168,871	151,455	161,304
Acts. pay.	419,027	281,158	406,783
Res. for taxes ...	190,000	190,000	200,000
	778,898	622,613	768,087
Capital stock:			
Common .	24,600,000	24,600,000	24,600,000
Surplus	11,629,888	11,110,160	10,669,554
	37,007,786	36,332,773	36,037,641

Production Costs Per Ton of Ore
Years Ended December 31

	1930 $	1929 $	1928 $
Devel. & explor. ...... Mining	2.98	2.86	2.83
Milling	.64	.66	.75
Taxes	.20	.21	.28
Gen. & adminis. exp...	.38	.43	.46
Total oper. costs	4.10	4.16	4.32
Deprec. & write-offs ..	.07	.04	.03
Total cost per ton	4.17	4.20	4.35
Recovery per ton	6.31	6.09	6.03
Profit per ton	2.14	1.89	1.68

Outlook

Earnings showed a slight increase in 1930 over the previous year and indications are that although the first six months showed a decline in earnings the current year will show another slight increase owing to further reductions in operating costs and increase in tonnage of ore milled. The future of the property largely rests with its ability to find ore at depth and little will be known of this possibility until the completion of the report by Dr. Graton. At the present time no intelligent comment can be made on the possible life of the property but the recent diamond drilling at depth on the Sumacher section of the property to the east, and the decision of the company to sink to a depth of 5,500 ft. indicates that the possibilities of the property have not been exhausted.

Price Range:	High	Low	Last
1930	6.65	4.90	....
1931*	8.70	6.00	6.60

*To July 11.
Dividend Rate: 65c+5c; Yield: 10.60%.
Listed: Standard; N. Y. Curb; Toronto and Montreal Ex.

Porcupine's Record Gauge For Future

Porcupine, from the commencement of operations in 1910 to the end of 1930, produced over 53 per cent of Canada's entire gold output—over 50 per cent from three mines, Hollinger, McIntyre and Dome—and is still producing at the rate of over 40 per cent of Canada's entire output. In the 21 years that the camp has been producing, bullion to the value of $266,680,783 has been reported, and in the same time dividends totalling $79,215,817 have been distributed to shareholders.

In past years a total of about 20 properties have been on a regular production basis, but production at the present time is confined to six producers, the value of production from which is in the order named, Hollinger, McIntyre, Dome, Coniarum, Vipond and March.

Construct New Biscuit Warehouse

The construction of a new warehouse in Halifax for Christie, Brown & Co., Ltd., a subsidiary of the National Biscuit Co., is announced. The new building will be of brick construction, one-and-a-half stories, 60 by 90 feet, and excavation work is now in progress. The new building will be used mainly in connection with the firm's business in Nova Scotia, Prince Edward Island, Newfoundland and Bermuda.

LOW GRADE ORE PROVES PROBLEM FOR MARCH GOLD

Operating Expenses Met But Financial Position Weak

March Gold is a producing gold property operated as a subsidiary of March Gold Incorporated, owned and directed by Buffalo interests.

The property consists of five claims in Deloro Township, about one mile south of the Dome Mines. Five shafts have been sunk on the property, but work is now confined to what is known as the Maidens-McDonald group of claims. A shaft has been sunk to a depth of 450 ft. and a winze runs from this level to the 675-ft. horizon.

The property was equipped with a 250-ton cyanide mill built in 1926, but it closed down in February, 1927, owing to financial difficulty. In 1928 operations were resumed.

Reduce Obligations

Obligations of the company have been reduced to about $75,000, made up of loans and payments due on the property.

The authorized capitalization is $1,500,000 at $1 par value shares of which $1,400,000 are outstanding, all owned by the parent company, March Gold Incorporated.

The following is a summary of production and recovery in the past years:

Year	Tons milled	Average recov. $	Value bullion $
1926	......	....	11,055
1927	......	....	19,839
1928	32,627	4.10	133,879
1929	48,484	5.30	256,303
1930	53,953	5.68	306,266

Outlook for March Gold

The company has been struggling with low-grade ore, but has been able to meet operating expenses and make payments on the property. An effort is being made to reduce expenses and increase the production and a measure of success is being met with. No great amount of ore has been developed and the financial position of the company makes any extensive programme difficult, with the result that there is little evidence as to what the future holds in store.

DOME EARNINGS FOR SIX MONTHS 93c PER SHARE

Second Quarter Recovery Amounts to Over $900,000

Quarterly report of Dome Mines for the three months ended June 30, shows a total recovery from 137,100 tons of ore milled of $907,643, or an average of $6.62 per ton. This compares with a total recovery of $858,081, from 132,400 tons of ore milled or $6.48 per ton average, in the preceding quarter.

Development, operating and general costs were $492,752, or $3.59 per ton, as against $455,523, or $3.44 per ton in the first quarter. Taxes are estimated at $34,895 as compared to $27,781, leaving an operating profit for the last three months of $395,694, as against $359,077 in the first quarter. A decrease in non-operating income to $38,649 reduced net profits to $434,343, before allowance for depreciation and depletion, as compared with $448,148 for the first three months. On this basis share earnings on the outstanding capital stock in the hands of the public, 953,334 shares, may be computed at 45.5 cents per share, as against 47 cents per share in the first quarter.

Six Months Report

Total production for the first six months of the current calendar year was $1,765,723, from which is deducted expenses of $948,275, and taxes of $62,676, leaving an operating profit of $754,772. To this is added non-operating income of $127,719, making total net income for the half year, before depreciation and depletion, of $882,491, which is equivalent to approximately 93 cents per share on the outstanding stock of the company. No comparison is made with the corresponding six months of 1930 owing to the fact that Dome had no mill on production during that period.

In view of dividend requirements of $1 per share, it is perhaps safe to assume that by the end of the year, the company will be in a position to add a comfortable margin to its surplus account.

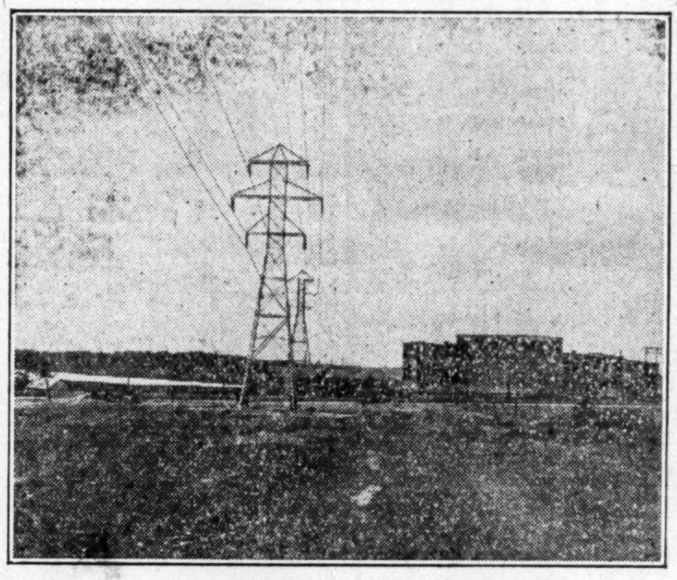
Investigates Industrial Situation

J. H. Yates, a Fellow of the Royal Empire Society, is in Winnipeg at present to enquire into the industrial situation with a view to the establishment of branches of certain British industries, particularly tanneries, boot and shoe establishments and china and pottery industries.

Fishing Industry Employs Many

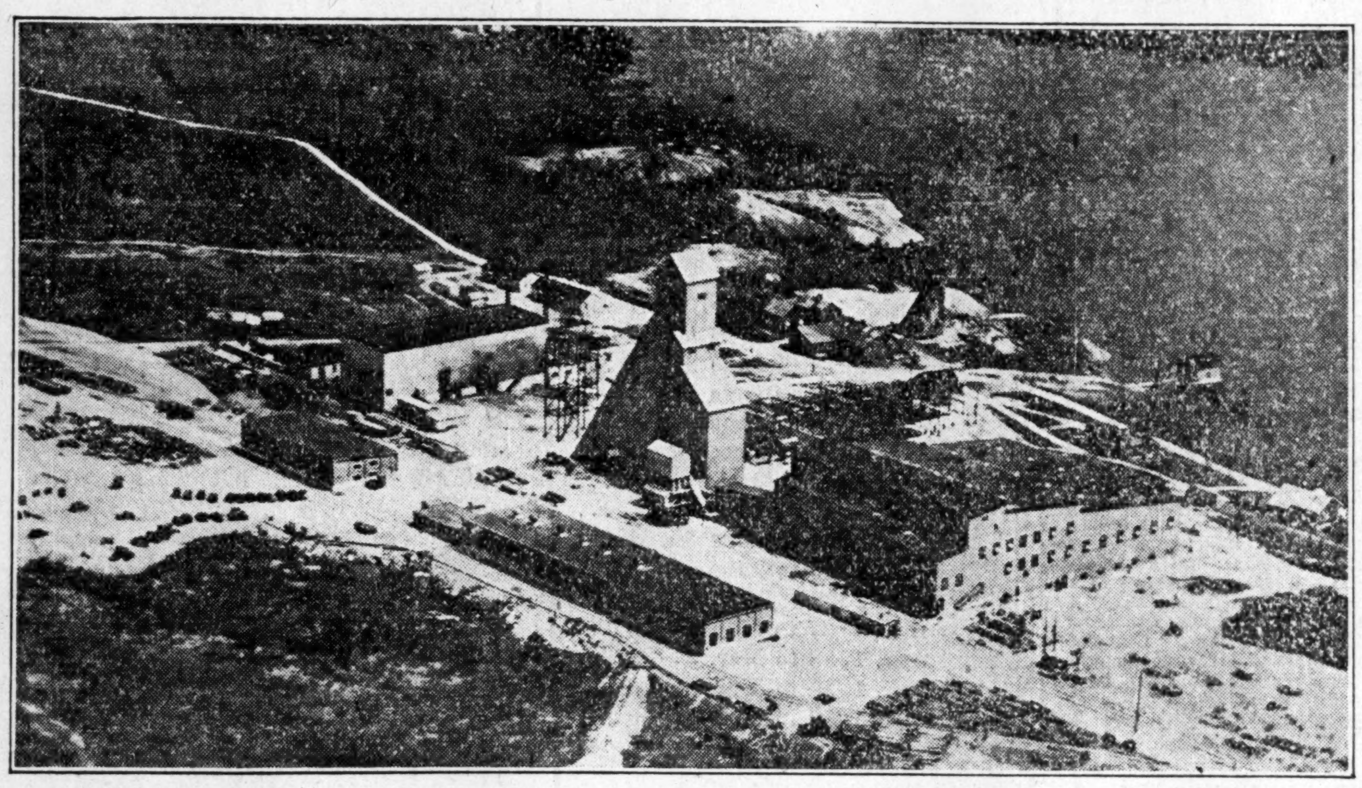
Over 19,400 people were employed in the fishing industry in British Columbia in 1930, using vessels, boats, nets, gear, plant and equipment representing an investment of about $34,944,000.

Transmission Line From Abitibi Canyon



The new transmission line from Abitibi Canyon to Sudbury passes through the Hollinger property at Timmins, but plans do not call for that area getting any of this cheap power.

McIntyre Mine's New Layout is World's Finest Gold Mill



The new mill and plant of McIntyre Porcupine Mines across Pearl Lake from Schumacher station is regarded as the finest gold mill in the world. Operations were started at this new mill last May and it is now being brought up to its rated capacity of 2,000 tons of ore daily.

HAYDEN GOLD MINES
OFFERS PROFIT OPPORTUNITY
PREVIOUS ALLOTMENT COMPLETELY SOLD

Limited number of shares at present price. Mail remittance for your shares at once. Special allotment selling at 60c per share.

ASSOCIATED HAYDEN CORPORATION
(Exclusive Authorized Agents)
421 Temple Building - Rochester, N.Y.

Canusa Mining and Development
Company, Limited

Capitalization $3,000,000
$1 Par Value Shares

Application made for listing on the Standard Stock & Mining Exchange.

Officers and Directors

George J. Miller, president, Toronto; George Neukom, vice-president, Toledo, Ohio; Robert Schram, treasurer, Detroit; T. R. Deacon, secretary, Toronto; Arthur T. Waterfall, Horace Kendrick, Detroit.

Property

Consists of 440 acres in Whitney and Tisdale townships, Porcupine district, Ontario, embracing a length of one and one-quarter miles the mineralized zone, directly in line of strike of the ore zone of Hollinger-McIntyre, Porcupine-Coniaurum operations.

Plant

A 50 ton pilot mill, operated by electric power, is nearing completion, permitting accurate bulk sampling of development work.

Production

A 35 foot section of surface outcrop produced in excess of $25,000 in gold.

Finances

Arrangements concluded permitting aggressive development.

Head Office
METROPOLITAN BUILDING TORONTO

ONTARIO LEADS GOLD MINING

The Mines of Ontario produced 82 per cent. of the total gold output of the Dominion of Canada in 1930, and they may exceed the total production of gold of the United States in 1931.

The Porcupine District to the end of the year 1930 has produced gold to the value of $266,680,899.00. The dividends paid during this period amounted to $79,215,816.75.

For geological reports and maps, and for general information, apply to T. F. SUTHERLAND, Acting Deputy Minister of Mines, Toronto, Canada.

ONTARIO DEPARTMENT OF MINES
Hon. Charles McCrea, Minister of Mines
Thos. W. Gibson, Deputy Minister of Mines

Porcupine's Producing Properties Tell Story of Camp's Great Record

Total Production to December 31, 1930

Ontario Government Figures

	Hollinger				Dome				McIntyre-Porc.			
Year	Tons	Aver. $	Value of prod. $	Dividends $	Tons	Aver. $	Value of prod. $	Dividends † $	Tons	Aver. $	Value of prod. $	Dividends $
1910	813	38.35	31,194	......	247	17.60	4,355	......	......	...	....	......
1911	1,000	46.08	6,000	......	......	20.66	4,277	......	......	...	....	......
1912	45,195	20.11	909,181	270,000	75,088	9.82	737,499	......	......	...	77,657	......
1913	138,291	17.82	2,488,022	1,170,000	131,149	9.32	1,242,625	......	......	...	236,299	......
1914	208,936	12.85	2,719,355	1,170,000	221,390	4.33	1,059,238	......	......	...	549,166	......
1915	334,750	9.50	4,206,015	1,560,000	317,740	4.81	1,530,287	400,000	......	...	750,812	......
1916	601,854	8.43	5,073,401	3,286,000	444,900	4.84	2,153,820	800,000	......	...	1,218,073	......
1917	514,301	8.29	4,261,938	738,000	359,570	4.15	1,480,174	300,000	......	...	1,710,204	541,542
1918	578,755	9.87	5,752,371	1,230,000	Clean up		82,127	......	......	...	1,578,444	543,043
1919	711,882	9.45	6,722,266	1,722,000	187,580	6.87	1,290,301	......	......	...	1,978,014	364,028
1920	650,205	9.56	6,219,665	2,214,000	295,220	6.84	2,020,563	416,886	......	...	2,223,083	546,042
1921	1,072,493	9.36	9,051,276	3,198,000	335,680	6.82	2,290,264	478,948	......	...	1,827,761	546,043
1922	1,491,381	8.23	12,274,114	3,198,000	368,400	11.35	4,178,836	715,000	......	...	2,021,811	546,042
1923	1,866,352	7.64	10,446,412	3,198,000	399,800	10.94	4,374,144	1,430,001	......	...	2,550,129	548,542
1924	1,659,475	8.10	13,433,063	3,198,000	493,400	8.73	4,307,624	1,906,668	390,497	9.24	3,604,874	774,125
1925	1,929,988	8.18	15,749,109	4,378,000	530,200	8.23	4,365,923	1,906,668	419,640	8.87	3,721,499	798,000
1926	1,932,559	7.65	14,829,655	5,805,600	555,700	7.09	3,940,053	1,906,668	498,653	7.75	3,862,074	798,000
1927	2,178,829	6.68	14,539,538	6,396,000	543,300	7.42	4,031,575	1,191,667	522,880	7.60	3,965,210	798,000
1928	1,778,470	6.08	10,706,235	5,412,000	548,000	7.14	3,915,051	953,334	524,695	7.89	4,201,808	798,000
1929	1,549,157	6.09	9,455,290	3,198,000	452,900	7.58	3,590,537	953,334	550,100	7.81	4,295,491	798,000
1930	1,625,868	6.31	10,260,950	3,444,000*	67,600	5.89	774,943	953,334	565,510	8.29	4,688,787	798,000
			159,135,050	54,786,400			47,374,321	14,312,510			45,061,196	9,197,408

	Vipond ‡				Coniaurum **			March			Miscellaneous Mines Now Inactive or Merged		Total		
Year	Tons	Aver. $	Value of prod. $	Dividends $	Tons	Aver. $	Value of prod. $	Tons $	Aver.	Value of prod. $	Value of prod. $	Dividends $	Value of prod. $	Dividends $	Year
1910	......	....	......	......	......	....	......	......	....	......	......	......	35,549	......	1910
1911	......	....	5,160	......	......	....	......	......	...	......	......	......	11,437	......	1911
1912	......	....	16,259	......	......	....	......	......	....	......	......	......	1,740,596	270,000	1912
1913	......	....	......	......	......	....	......	......	....	......	349,861	......	4,316,807	1,170,000	1913
1914	......	....	73,628	......	......	....	......	......	....	......	830,602	240,000	5,231,989	1,410,000	1914
1915	......	....	246,053	......	......	....	......	......	....	......	762,686	252,000	7,495,853	1,212,000	1915
1916	......	....	176,686	......	......	....	......	......	....	......	820,437	240,000	9,442,417	4,326,000	1916
1917	......	....	209,738	......	......	....	......	......	....	......	623,267	120,000	8,285,321	1,699,542	1917
1918	......	....	82,868	......	......	....	......	......	....	......	338,156	......	7,833,966	1,773,043	1918
1919	......	....	......	......	......	....	......	......	....	......	50,999	......	10,041,580	2,086,028	1919
1920	......	....	......	......	......	....	......	......	....	......	227,245	......	10,690,561	3,176,929	1920
1921	......	....	......	......	......	....	......	......	....	......	7,943	......	13,177,244	4,222,990	1921
1922	......	....	......	......	......	....	......	......	....	......	4,464	......	18,479,325	4,459,042	1922
1923	......	....	23,867	......	......	....	......	......	....	......	11,087	......	17,405,648	5,176,544	1923
1924	52,301	4.40	596,803	......	......	....	......	......	....	......	334,430	......	22,266,894	5,878,793	1924
1925	61,294	9.24	565,379	......	......	....	......	......	....	......	484,705	......	24,886,615	7,083,468	1925
1926	79,717	7.92	631,636	......	......	....	......	5,248	2.22	11,055	536,227	......	23,810,700	8,509,668	1926
1927	90,863	7.35	667,724	67,500	......	....	......	4,591	4.30	19,839	752,691	......	23,976,577	8,453,167	1927
1928	88,896	7.82	694,426	......	52,005	5.06	220,534	32,627	4.10	133,879	480,166	......	20,352,099	7,163,334	1928
1929	108,225	7.58	820,667	......	103,293	6.45	625,485	48,484	5.28	256,303	319,467	......	19,373,240	4,949,334	1929
1930	114,667	8.02	919,676	......	122,972	5.99	738,941	53,953	5.68	306,261	134,849	......	17,822,365	5,195,334	1930
			5,730,579	67,500			1,594,960			727,337	7,059,382	852,000	266,680,783	79,215,817	

* Clean up after fire—2 mos. production. † In addition paid $476,667 repayment of capital in 1922.
‡ Porcupine Crow, also North Crown recovered $2,871,847 and paid $840,000 in dividends before being merged with Vipond.
** Rea, also Newray recovered $147,076 and paid $12,000 in dividend before being merged to form Coniaurum.

TIMMINS DEBT LOW PER CAPITA; POSITION GOOD

Shows Surplus in 1930—Liabilities and Arrears Are Reduced

Timmins, as one of the principal mining and distributing centres of Northern Ontario, enjoys a position of financial stability and bonds of the town hold high rank in issues of their class. During 1930 the town had a surplus on general account of $10,948, before making any provision for losses on collection of taxes, and had a net profit of $2,363 on operation of the waterworks system. Bank loans were reduced to $180,000 from $243.500.

With a population of 13,367, the town has an assessed value for taxation of $7,078,289 including business, income and personal property but excluding all exemptions. The 1930 tax levy totalled $439,482 of which $410,425 included schools, public and separate, the town's share of local improvements and business taxes, etc. Owners' share of local improvements amounted to $29,007. Public schools supporters paid taxes at the rate of 56.11 mills and separate school supporters were charged a total mill rate of 63.30. Residents of the Tisdale Annexation paid an additional 6.99 mills to provide for the Township of Tisdale debenture rate.

Arrears Are Reduced

Total tax arrears as at December 31, 1930, including penalties consisted of $136,636 on account of 1930 levy uncollected. Total arrears, including the 1930 levy but exclusive of lands, etc., amounted to $217,790, while lands for which title or certificates had been acquired by the town through sales for tax arrears amounted to $20,940. Arrears of taxes and properties acquired at tax sale amount to $238,731 as compared with $293,623 at the end of 1929, a reduction of some $55,000, partially made through writing off uncollectible accounts and losses on land sales.

The town has a total debenture debt of $1,111,612 of which $231,065 is for waterworks and is self-sustaining. This leaves a net debt of $880,547 or a net per capita debt of $65.85. Of this net debt $545,317 is on account of schools, exclusive of separate schools, debentures for which are guaranteed by the provincial government. Local improvement debt amounts to $287,258 of which $165,320 is owners' share and $121,938 is the town's share. Trunk sewers and incinerator account for the remaining $47,973 of debenture debt. The only public utility owned by the town is the waterworks system which showed a profit of $2,363 in 1930 after operation expense, depreciation, debt retirement and interest charges.

The total of current liabilities against the town as at December 31, 1930, amounted to $229,639 including bank loans, as compared with $315,104 the previous year. The decrease of $85,465 during the year reflects a substantial improvement in the financial condition of the town.

While the town is principally dependent upon mining it is also a distributing centre of some importance. The Hollinger Gold Mine is within the town limits and the town receives 1½ per cent of all profits of the mine over $10,000 per year. In 1930 this income amounted to $18,159. Within a radius of six miles there are located the gold producing properties of Dome, McIntyre Porcupine, Vipond and Coniaurum. The town is the centre of the Porcupine gold mining area and is located 100 miles due north of Sudbury. It is on the Temiskaming & Northern Ontario Railway which connects with the C. N. R. at Cochrane via Porquis Junction.

The town is a distributing centre for not only the mines in the district but for a good part of the Ontario clay belt. It has some 227 business places and five banks. A number of prominent industrial companies and wholesale houses maintain branches in the town.

Timmins, Good Town For Pleasure or Business, Seen in Pictures

Upper view shows a fine nine-hole golf course sponsored originally by Hollinger Mines. Lower left shows the permanent business building of the town. Lower right is the technical and high school that has few equals in the larger centres.

MODERN TOWN, TIMMINS BOASTS ALL ADVANTAGES

City's Appearance is Welcome Surprise to Visitors

Timmins, 20 hours by pullman—458 miles north of Toronto, is the centre of the Porcupine mining area. Its appearance is a welcome surprise to visitors. It is the largest and most modern gold mining town in Canada.

Only one requisite is demanded to make a mining town, with all the comforts of living to be enjoyed anywhere else—ore and lots of it. The Porcupine the Hand of Providence has dispensed a most liberal helping, and under its influence has grown a town and a community spirit that reflect an air of permanence. Timmins' broad paved street, business section and public buildings would do credit to cities of a much larger population. Homes rival those in the cities, with every electrical convenience and modern plumbing and heating. Outstanding are the schools. The recently completed technical and high school has few superiors, while the public and separate schools are of modern fireproof construction. A modern waterworks system, owned and operated by the city, provides an adequate supply of water for domestic and fire purposes. Its fire protection apparatus is maintained by paid platoons ever ready to answer the calls.

A modern well equipped hospital of 100 beds functions in the care of the sick. The original establishment of the hospital was made possible through the generosity of the Hollinger Consolidated Mines.

Also through the generosity of the Hollinger Mines a fine nine hole golf course was made available a number of years ago. This, together with playgrounds, rinks and parks, forms the recreation centres for the residents.

PORCUPINE AREA GOLD OCCURRENCE FOUND BY CHANCE

Land Had Been Granted as Farms to Boer Veterans

The first gold discovery in Porcupine was made in 1908 by H. F. Hunter on the northeast shore of Porcupine Lake. This month will witness the commencement of operations of a small test mill on a gold discovery made in 1909. Thus after 22 years one of Porcupine's first discoveries blossoms out with a mill to test its potentiality.

In 1909 Geo. Bannerman, making his way to Porcupine Lake, discovered what is known as the Scottish Ontario property, now owned by the Canusa Mines & Development Co. Prior to that, in about 1903 and 1904, the area was surveyed and homesteads allotted to veterans of the Boer War. In 1900, W. A. Parks, in his report to the Ontario Bureau of Mines, made reference to a series of quartz veins carrying low gold values, but not until 1909, with the Bannerman find, was interest attracted to the area.

The centre of the present mining operations had long been a portage route between Barber's Bay on the Night Hawk Lake and the Metagami River. This portage route was via Barber's Bay, Porcupine Lake, Pearl Lake, Gillies Lake, Miller Lake, through the site of the present town of Timmins, to the Metagami River, about a mile west, actually crossing the present McIntyre and Hollinger Mines.

In June, 1909, a party of prospectors, including J. Preston, of Mathewson, Ont., was working close to Porcupine Lake where George Bannerman had made a find earlier in the year. Preston, while tramping through the swamp, climbed to the tops of moss-covered rocks to escape the flies. In picking up a handful of moss he exposed what was later called the famous "Golden Sidewalk" of the Dome Mines. In the meantime, Messrs. Dixon and Middleton had staked claims to the west of Pearl Lake. On his way out, Dixon met Preston, who spoke of a considerable area of "white rock" near a small lake southwest of the Long Lake, now known as Gillies Lake. When Dixon and Middleton returned to Haileybury and spoke of their finding, Dixon's stepfather sent Alex. Gillies to Porcupine to stake more ground. With Gillies was Benny Hollinger. Each man staked separately for his respective principal. Dixon and Middleton did not stay in Haileybury, but followed close on Hollinger's heels to stake the Miller-Middleton group, southwest of Hollinger's famous location. They found free gold in a narrow blue quartz vein as they planted a post; in fact, they experienced some difficulty in finding spots without the significant presence of the yellow metal.

Dixon, before his death in 1926, said that in performing assessment work on the Acme ground, now part of the Hollinger group, he discovered several quartz veins rich in gold immediately in the path of a well travelled portage. Many particles of gold were scratched in places where the hob-nailed boots of unknowing prospectors had scratched them. "There was a large quartz boulder near the top of a hill where a man stood to blaze a spruce tree. Underneath, said Dixon, was a piece of native gold a quarter of an inch in diameter, showing the telltale mark of the blazer's boot.

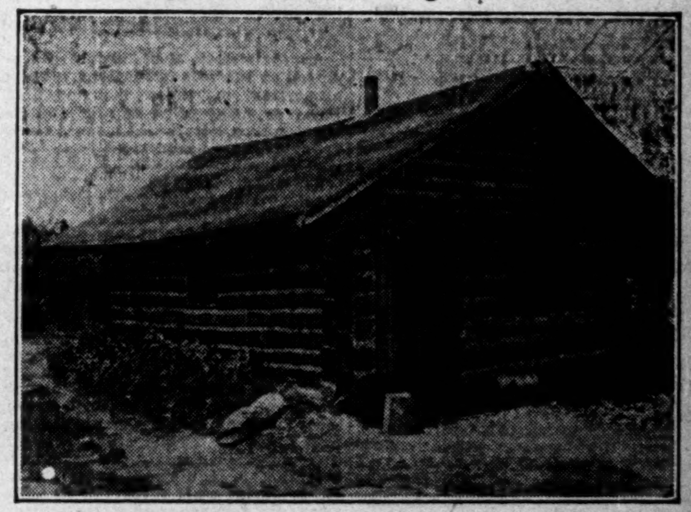
Sandy McIntyre, staker of the original McIntyre claim, found a very rich occurrence of gold on the site of the old McIntyre mill, on the south side of Pearl Lake. It is also reported that on the Hollinger property, near a rich outcrop, a blacksmith's forge was found, that had been in use at some earlier time.

Though the Porcupine area was traversed as a portage and canoe route many years ago and cut into veterans' grants by Ontario land surveyors, the occurrence of gold-bearing quartz veins noted and published in Government reports, did not lead to the discovery of the area for many years afterwards and then by accident.

LaRoche, Porcupine's Newest Find

Trenching operations on the McMahon Claims owned by LaRoche Mines, now under development jointly by Federal Kirkland and Buffalo Rouyn Mines.

Porcupine's First Building Still Stands



The first log cabin erected in the Porcupine area is still standing on the Canusa property, having withstood the many fires over the district.

Kirkland Commodore Acquires Properties

Kirkland Commodore Mines, Ltd., has been incorporated with an Ontario charter to take over the assets of the Lebel Crystal Lake Gold Mines, comprising 18 patented claims, 732 acres in Lebel township, Ontario. Company has also acquired 20 claims, approximately 1,450 acres, in Katrine township, from the Kirkland Katrine Gold Mining Syndicate. Both groups are in the Kirkland Lake district, Ontario.

Capitalization of the company consists of 4,000,000, $1 par value shares authorized, of which 2,800,005 are presently outstanding. Lebel Crystal Lake Gold Mines, as vendors, received 1,800,000 shares. It is reported that negotiations are under way with New York interests, whereby sufficient funds will be provided to proceed with development of at least one group of claims.

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for the
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Dome Mines

The current issue of our Mining Chronicle contains lengthy articles of importance on these three important Gold Mines, in addition to a discussion on the Gold situation.

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Executive Offices, 80 King St. W., Toronto
Production to Date — Silver, ozs. 12,105,485 — Cobalt, lbs. 1,455,800

CONIAURUM MINES HUNTS DEEP LEVEL FOR HIGHER GRADE

Recovery Now Just About Meets Operating Expenses

Coniaurum Mines is a reorganization of the company of the same name which went into liquidation early in 1929, after failure of operating profits to meet interest on funded indebtedness. The company is controlled by the Lindsley interests of Toronto.

The property consists of approximately 641 acres in Tisdale township adjoining the McIntyre-Porcupine Mines on the east. Developments have been carried out from a central shaft sunk to a depth of 2,000 ft. Early in 1931 an exploratory winze was sunk from the 2,000 ft. to the 2,500 ft. horizon, in the hope of picking up wider and richer veins. Encouraging conditions were met on the upper levels, but upon continuation of developments to the 2,000 ft. horizon, narrow veins and dilution made it difficult for operations to meet expenses.

In the spring of 1928 a 300-ton daily capacity mill was placed into position.

The company has an authorized capitalization of 6,000,000 shares of no par value of which 2,512,447 is outstanding.

The following tabulations show the production costs, recovery and financial position of the company:

Balance Sheet as at December 31

Assets	1930	1929
	$	$
Current:		
Cash	98,013	191,864
Bullion	58,074	60,272
Bonds	95,867	......
Acts. rec.	633	1,074
Deposit	5,166	4,040
Supplies	30,127	36,768
	287,880	289,978
Deferred:		
Mine develop.	1,162,197	1,162,197
Deep devel., 1930	46,827	......
Less: W/o 1929	39,000	39,000
W/o 1930	122,972	......
	1,047,052	1,123,197
Prepaid insur.	2,325	2,343
Organ. expense	6,350	5,629
Fixed:		
Mining properties	2,200,084	2,200,084
Plant, & equip.	765,305	759,238
	4,308,996	4,384,509
Liabilities:		
Current:		
Acts. & wages pay.	32,468	43,702
Capital:		
Common shares	4,345,563	4,354,732
Less: Deficit	13,925	13,925
Loss in 1930	55,110	......
	4,276,528	4,340,807
	4,308,996	4,384,509
Working Capital		
Current assets	287,880	289,978
Current liabilities	32,468	43,702
Working capital	255,412	246,276

Income and Surplus Account Year Ended Dec. 31

	1930
	$
Bullion produced	736,727
Less oper. expense:	
Mine development	78,188
Diamond drilling	8,483
Mining	417,600
Milling	115,545
Mint charges	1,903
Transportation	2,350
Gen. mine expense	13,882
Mine office & super.	28,159
Adminis. and gen. expense	16,088
Operating earnings	60,029
Add non-oper. income:	
Int., discount & exchange	7,147
Rentals	686
Total net earnings	67,862
Less: Prior and deep devel. w/o $1 per ton	122,972
Deficit for year*	55,110

*Subject to depreciation on buildings, machinery and equipment.

Production Costs Per Ton of Ore Year Ended December 31

	1930*
Development and exploration	$0.70
Mining	3.40
Milling	0.94
Taxes and marketing	0.03
General expense	0.43
Total operating costs	$5.50
Deprec. and write-offs	1.10
Total costs per ton	$6.50
Recovery per ton	5.99
Loss per ton	$0.51

*First year details given.

Outlook For Coniaurum

Recovery is just about meeting operating expenses, while an extensive development and exploration programme is being carried out. The future of the property and its possibilities as a profitable undertaking for the shareholders, rest principally with the success met with in its lower development. Favorable geological conditions indicate that the possibilities of the property have not been exhausted and its development at depth is held to be interesting.

Price Range:	High	Low	Last
1930	.60	.15	....
1931*	.62	.30	.31

*To July 11.

Listed: Standard; Toronto Ex.; Montreal Curb.

We Recommend the Purchase of

Lake Shore Hollinger
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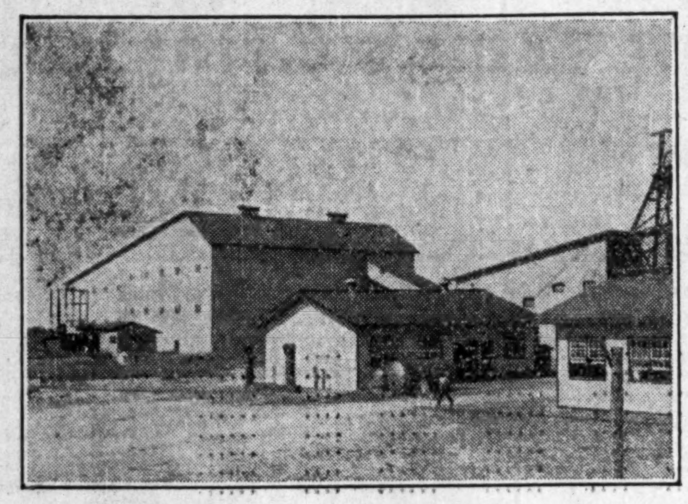
Coniaurum's Trim Layout



Although Coniaurum's mill is a model of efficiency for its size, low grade ore offers a problem.

CARRY ON FLIN FLON THOUGH METALS SAG

President Reported as Insuring Continued Operations at Plant

According to advices received from Winnipeg, R. H. Channing, Jr., president of the Hudson Bay Mining and Smelting Co., states that the company will continue to operate its plant at Flin Flon, Manitoba, up to present 3,000 ton schedule, in spite of the low price level of copper and zinc.

Mr. Channing is further reported to have said that the company was able to operate at the current level of the metal market, and that it was not anticipated that prices would go sufficiently lower to change the company's plans.

Approximately 1,000 men are employed at the Flin Flon plant, a large proportion of these being skilled workmen, many of whom are supporting families. It is estimated, there are somewhere between 4,000 and 5,000 people dependent on the operations of the company. Wage levels are reported as being maintained, notwithstanding the low metal prices.

On the basis of January and February production and estimates for March, approximately 250,000 tons of ore was handled by the Flin Flon plant during the first quarter of the current year. Out of this the company received approximately $4.90 per ton, after deducting freight, refining and selling charges. Operating costs for the period were about $3.60, leaving an operating profit of about $1.30 per ton. Approximately 90 cents per ton was spent for construction, changes to plant, experimental work and transportation of equipment from Island Falls, leaving a net surplus of 40 cents a ton. Gold values were stated to have been good, the ore running considerably higher in gold than was anticipated from experimental work.

ASHLEY GOLD NEARS DETERMINING VEIN

Will Show if Vein is Continuing Strong at 250 Feet

From Our Own Correspondent

ELK LAKE.—The crosscut at the 250-ft. level of the Ashley Gold Mines property, in Bannockburn township, is nearing what is known as the main vein and information regarding the character of the deposit at that depth should be available before the close of the current week. While the information to be secured through the tapping of the vein with the crosscut will not be representative, it will provide some idea as to whether the deposit is continuing strong at this horizon.

Plans call for merely cutting the vein with the crosscut, following which work is again to be turned toward the sinking programme. The shaft is to be continued to the 375-ft. horizon, a station cut at that point and a crosscut driven to tap the vein at that depth. Shaft sinking will then be resumed and the outlet will be continued to the 500-ft. objective.

When the shaft has been completed to the 500-ft. horizon, the work which will yield the data on which the future of the mine depends will be started. Drifts will be started north and south on the main vein, while other work will be directed toward the exploration and development of other interesting shoots.

By Christmas of the current year, it is expected that the shaft will have been completed to the 500-ft. objective and possibly 2,000 feet of crosscutting and drifting completed. Meantime, the big story on this property of the Mining Corporation of Canada need not be expected until after the shaft reaches the 500-ft. horizon. The story will be unfolded by the drifts which are to probe the deposits at four levels—the 125, 250, 375 and 500.

Le Roy Vein Traced For Further 500 Feet

LeRoy Mines reports that the main vein on the company's property in Louvincourt twp., northwestern Quebec, has been traced for another 500 feet to the west. This makes a total of 1,000 feet, of which the first 500 feet, which has already been stripped, is said to average six feet in width. Company reports that efforts will be made to strip the additional 500 feet to the west, in order to ascertain the width and formation. The company's mining plant is installed, and it is expected to start shaft sinking at an early date.

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Keefer Bldg. — Montreal

New General Manager Named for "Nickel"

Following the recent death of John L. Agnew, formerly vice-president in charge of operations of The International Nickel Co. of Canada, Ltd., comes the announcement that at a meeting of the executive committee of the board of directors, in New York City, on Monday, July 20, J. C. Nicholls of Copper Cliff, Ont., was promoted from general manager to assistant to the president at Toronto. Donald MacAskill, manager of the mining and smelting division, was appointed general manager. Dr. John F. Thompson, assistant to the president, has been appointed vice-president.

DIATOMITE CONCERN OBTAINS CONTRACT

Erection of Furnace to Be Made in August, State Officials

Diatomite Products, Ltd., which has constructed a plant for the production of diatomite at Martin's Siding near Huntsville, Ont., has obtained a contract with a firm of chemical importers for the sale of its entire output. The price to be received represents a decrease of 10 per cent below current quotations on delivered carload lots. The life of the sales contract is for two years, renewable for similar periods on terms mutually to be agreed upon. Shipments are expected to be made as soon as the mill is completed.

The company has constructed a settling basin with an 8-inch pipe line laid down to a dredge at Slocombe Lake. The dredge and power plant are now in operation. The dredge has a pumping capacity of approximately 1,100 gallons of diatomaceous mud per minute, and the company estimates that with each filling of the reservoir an equivalent of at least 6,000 tons will be available for refining which represents a year's mill capacity. The power plant, filtrator buildings, furnace and storage buildings have been completed. The power house is equipped with a 200 b.h.p. Diesel engine, and drives a 165 h.p. generator. This plant supplies power to the suction dredge on the lake as well as power for the furnace, elevators, grinder and bagging plant.

The foundations for the furnace have been completed and the furnace parts are being prepared for shipment from the foundry to the company. Company states that erection of the furnace will commence about August 10.

Take Ore as It Comes Now at Teck-Hughes

From Our Own Correspondent

KIRKLAND LAKE.—Everything is operating smoothly at the Teck-Hughes, both underground and in the mill, and those who intimate otherwise are either in error or are deliberately endeavoring to cause uneasiness. The fact that officials have ignored the question of presenting a representative estimate of "developed" and "indicated" ore should not be interpreted as a weakness on the part of the mine. The ore resources of the mine are large and, so far as the mechanical end of the operation is concerned, those interested may rest assured that there has been no serious trouble and not likely to be. The Teck-Hughes staff is very competent and efficient in this respect.

It is quite possible that disappointment on the part of many, in connection with the average gold recovery per ton, has led to the feeling of uneasiness which, in turn, has resulted in the distribution of disquieting rumors of all descriptions. For some time, forecasts of an average recovery of $18 to the ton were made. So far, however, the operation has not shown such an "average" recovery and does not appear likely to. Officials recently announced their intentions of taking the ore as it comes in the future, rather than undertake to increase the average to and hold it at $18 to the ton.

Despite the failure, so far, to establish an average recovery of $18 to the ton, the average is still high and, taken over 12 months periods, is likely to be within $1 per ton of the $18 mark.

Pend Oreille Ships 1,200 Tons in June

Ore shipments from the Josephine mine of the Pend Oreille Mines & Metals Co. during June aggregated 1,200 tons, contained in 26 cars, according to reports from the west. This rate represents a daily average production of 40 tons, which shows an increase over the previous rate of 30 tons per day established with the opening of the Josephine mill. It is further reported that production is being made with two shifts in the mine and three in the mill.

It is the company's intention to step up production to 50 tons per day when full tonnage will be reached.

Shipments are made to the American Zinc Co. at East St. Louis, Ill. The concentrates are said to average approximately 59.5 per cent zinc and 76.9 per cent lead, the zinc concentrates being in the ratio of three to one.

NIPISSING STAKES NEW MINE CLAIMS; RECOVERY IS LOW

Company Continues Hunt For Mine to Replace Old One

In a letter addressed to the president and board of directors of the Nipissing Mining Co., Hugh Park, general manager, states that during the second quarter of the current year the company mined ore of an estimated net value of $78,422 and shipped residue of an estimated net value of $13,000. Mr. Park reports that conditions underground at the low levels of the mine remain about the same, parts of the stopes showing several inches of high grade ore, which is being taken out as fast as possible. The company has been doing some assessment work on several optioned properties, while prospecting parties have recently staked claims in a number of areas, no details being at present available.

The official statement reads as follows:

"During the months of April, May and June the company mined ore of an estimated net value of $78,422 and shipped residue of an estimated net value of $13,000.

"The average price of silver was three-quarters of a cent less than the first quarter, but of late there has been some signs of improvement. The condition underground at the low levels remains about the same, parts of the stopes showing several inches of very high grade ore, which is being extracted as fast as conditions will permit.

"Since the opening of navigation the company has been doing assessment work in several townships on optioned properties and claims staked by the company. Prospecting parties have recently staked claims in a number of promising areas but no details are available at present.

"The low grade mill treated 10,333 tons. The high grade plant treated 217 tons. The refinery produced 415,965 fine ounces of bullion."

Recently Passed Dividends

The company was recently forced to pass its quarterly dividend of 7½ cents per share, ordinarily payable July 20. Dividends of 30 cents per share, payable quarterly have been paid since 1927, and previous to that year a higher rate prevailed. The company has been a continuous dividend payer since production started in 1906. Total dividend distributions have amounted to $29,850,000 which is the record for a silver mining company operating in Canada.

The continued low price of silver, making operations unprofitable, and a desire to conserve the company's cash resources prompted the action, stated E. P. Earle, president of the company.

In view of these conditions, a circular letter was recently sent out to shareholders over the signature of E. R. Bennetto, of Hamilton, to learn the views of the shareholders as to whether the company should be wound up, and the assets distributed, or whether overhead expenses should be cut down and a small dividend paid pending an improvement in silver quotations.

CLAIM ELDORADO RESULTS IMPROVE

Further Stakings Are Due and Are Showing Silver Indications

In a statement issued to shareholders of Eldorado Gold Mines, Charles LaBine, president, states that the general manager with a crew of eight men left for the property last February, with a view towards further developing the extent of the pitchblende ore bodies. Reports received from Gilbert LaBine, in charge of operations, state that results obtained have greatly exceeded the company's expectations, owing to the fact that the radium bearing ore has been proved over greater width and length than was anticipated.

The report states further that a discovery of high grade silver ore with evidence of large tonnage has been made on the property.

An additional group of 15 claims have been staked by the company's general manager. The claims have been staked over a distance of two miles, being situated south of the company's original radium bearing deposits, and are said to contain silver showings in many places.

PIONEER ENJOYS PROFITABLE MONTH

Mill Runs Steadily at 100 Tons a Day — Produce $60,000

From Our Own Correspondent

VANCOUVER. — Pineer Gold in June had the most profitable month in its history, producing a total of $60,000 worth of gold bullion which has already been shipped to Vancouver. This represents an increase of about one-third as compared with May.

News of the big gold shipment was secured from A. E. Bull, secretary of the company, who states that all through the month the values in the ore were found to be higher than hitherto experienced. The mill is running steadily at 100 tons a day.

The ore being put through the plant is coming from the eighth level west, and from the stope between the seventh and eighth levels. The ore was of a character that represented far less waste operation, all of it being from the definite vein and ore body with little unprofitable rock.

The increasing output of the precious metal is exceedingly gratifying to the company. On the beginning of this month second dividend cheques amounting to a total of more than $52,000 was distributed to shareholders. With continually increasing output of the yellow metal shareholders feel there need be no doubt about continuation of the quarterly dividends.

The directors are working on a very conservative policy in the matter of disbursements. It is building up a comfortable reserve, but with such increasing amounts coming from milling operations, many holders of the stock forsee the day when they feel they may safely anticipate a dividend rate higher than has been paid so far.

The stock is coming out in very small quantities on the stock exchange. The price is holding steady at $2.25.

Turner Valley Drilling Report

Wells Drilled by Imperial Oil

Progress Report — Week Ending July 11, 1931

Name of Well	No.	Type	Depth last report feet	Present depth feet	Feet drilled	Remarks
Royalite	4	S.	....	....	...	Milling on iron at 1198 ft.
S. Lowery	3	R.	4502	4655	153	Drilling in sandy shale.
Ster. Pacific	2	R.	1822	2168	346	Driling in shale.
Lethbridge	1	S.	3311	3311	...	10 in. casing lowered to 3221 ft. cleaning out casings at 3262 ft.

Notes R.—Rotary. S.—Standard.

Ontario Gold Output Makes Record in June

Ontario gold mines produced $3,553,300 in the month of June, a new high monthly record for 1931, showing a net gain of $207,152 over $3,346,167 reported for May, and an increase of $601,190 over the output of $2,952,110 for June, 1930, according to the monthly report of the Ontario Department of Mines.

The Kirkland Lake camp, with a record output of $1,886,223 for the month from 144,415 tons of ore milled, led the Porcupine camp by $302,213. Porcupine mines produced bullion to the value of $1,584,020 from 264,823 tons milled. From the above figures the value per ton of ore milled in the Kirkland Lake district is more than double that of the Porcupine camp.

Both camps showed improvement in production over the month immediately preceding, and while the Porcupine mines maintained a steady average grade of mill feed for the past two months, that treated in the Kirkland Lake mills was of slightly higher grade in June.

There was no change in the number of producing mines during the month. Individual mines in order of greatest output were Lake Shore, Hollinger, Teck-Hughes, McIntyre, Dome, Wright-Hargreaves, Howey, Sylvanite, Coniaurum, Kirkland Lake Gold, Vipond, March, Barry-Hollinger.

Monthly Output of Ontario Gold Mines
(Gold and Silver Values)

Source and Period	1930 Ore Milled tons	1930 Total Value	1931 Ore Milled tons	1931 Total Value
Porcupine:				
Calendar year 1930	2,559,798	$17,822,365	......	......
Average per month	213,316	1,485,197	......	......
January	210,554	1,460,600	252,324	$1,572,678
February	187,626	1,313,661	230,738	1,608,239
March	209,128	1,561,925	244,588	1,681,805
April	205,810	1,464,947	253,553	1,580,468
May	210,533	1,545,110	256,007	1,415,905
June	205,164	1,347,189	264,823	1,584,020
Kirkland Lake:				
Calendar year 1930	1,274,530	17,231,709	......	......
Average per month	106,211	1,435,796	......	......
January	101,443	1,281,888	138,477	1,649,436
February	96,096	1,296,246	116,556	1,564,538
March	100,075	1,487,216	133,110	1,760,088
April	95,064	1,393,520	137,838	1,791,144
May	99,261	1,349,969	146,899	1,865,241
June	99,868	1,552,921	144,415	1,886,233
Total for calendar year (gold mines only)	3,946,623	$35,518,862	......	......
Average per month	328,885	$2,959,905	......	......
January	311,997	2,742,488	*394,233	$3,289,032
February	283,722	2,609,907	*360,398	3,228,222
March	309,303	2,952,163	*402,055	3,402,238
April	*307,556	2,977,296	*397,958	3,539,563
May	*317,789	2,933,906	*419,368	3,346,147
June	*315,032	2,952,110	*428,266	3,553,300

* Includes Northwestern Ontario.

George Enterprise Resumes Activities

The season's work has been resumed at the George Enterprise Mining Co., in the Cassiar district, Portland Canal mining division, British Columbia, according to advice from Vancouver.

The company was incorporated in 1928 with an authorized capitalization of $1,250,000 in 50c par value shares, to acquire and develop the enterprise group of claims on the north side of and near the head of the Bear River Valley, about 23 miles from Stewart. A camp was established at an altitude of 3,600 feet and early in 1929 a power driven compressor was added. Each season is resumed as soon as climatic conditions permit. The principal work has been confined to the Enterprise claims where extensive open-cutting and underground work from tunnels has developed and an interesting showing of phalco pyrite associated with well defined structure carrying silver-lead value. During 1930 season a crew of 7 men further prospected the property through tunnels A and No. 15 also by additional open cut work. This work is referred to as resulting in several new discoveries of mineralization.

Non-Ferrous Metal Output Declines 8 P. C. in 1930

Manufactures of the non-ferrous metals in Canada during 1930 were valued at $259,899,972, or $23,600,000 below the corresponding total for 1929, according to preliminary figures compiled by the Dominion Bureau of Statistics at Ottawa. A total of 403 plants were in operation during the year, 5 less than in 1929, and an average of 38,600 persons were employed, compared with 39,867 for the previous year. Payments for salaries and wages totalled $52,163,575, expenditures for materials used in manufacturing amounted to $117,417,803, and capital employed was reported at $319,701,659.

Non-ferrous metal products have been grouped into 7 industries each of which showed a decline in output value in 1930. The majority of the plants in these groups were located in Ontario and Quebec. Ontario had 268, or 67 per cent, of the factories which accounted for a production of $165,840,560, or 64 per cent of the total for Canada. Quebec had 75 establishments and output valued at $62,717,316. British Columbia was third with 25 plants and production at $27,321,727.

Metal Prices

New York—July 21:
Copper: Electrolytic spot 8c. lb.

London—July 21:
(Long Ton)
Copper: Electrolytic spot, £37; future, £38. Standard spot, £34 12s. 6d.; future, £35 7s. 6d.
Tin: Spot, £111 17s. 6d.; future £113 17s. 6d.
Lead: Spot, £12 17s. 6d.; future £13.
Zinc: Spot, £12 17s. 6d.; future £12 17s. 6d.
Silver: 13d. per ounce.

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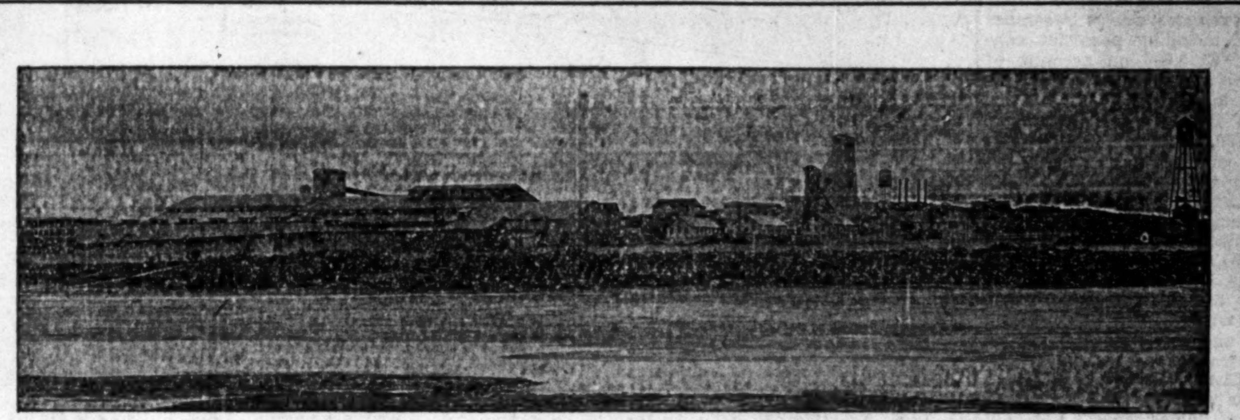

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Hollinger Production and Dividend Record

Year	Tons Ore Milled	Values Recovered	Dividends Paid	Year	Tons Ore Milled	Values Recovered	Dividends Paid
1911	1,000	$ 46,082.52	$	1921	1,072,493	$10,031,050.57	$3,198,000
1912	45,195	933,682.00	270,000	1922	1,491,381	12,274,114.27	3,198,000
1913	222,423	2,488,022.58	1,170,000	1923	1,366,352	12,406,412.20	3,198,000
1914	211,846	2,719,314.47	1,170,000	1924	1,659,475	13,429,226.87	3,198,000
1915	441,236	4,205,901.69	1,720,000	1925	1,929,988	15,786,405.00	4,378,800
1916	601,854	5,073,401.05	3,126,000	1926	1,932,559	16,179,011.50	5,805,000
1917	508,139	4,261,938.72	730,000	1927	2,178,329	14,548,899.00	6,396,000
1918	578,755	5,752,370.87	1,230,000	1928	1,778,470	10,712,821.69	5,412,000
1919	711,822	6,722,266.81	1,722,000	1929	1,549,157	9,433,767.14	5,904,000
1920	650,205	6,219,664.80	2,214,000	1930	1,625,868	10,263,504.75	3,444,000
					20,474,315	$160,129,797.10	$54,786,400

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